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United States
Environmental Protection
Agency

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EPA

Second Annual Report

State/EPA Agreements

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State/EPA Agreements

October 1980

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INTRODUCTION

The Partnership Reassessed

This is the second Annual Report assessing the development and implementation of State-EPA Agreements (SEA) nationwide. Last year's Report characterized the SEA process as the key to a new Federal/State partnership dedicated to the principle of integrated environmental problem-solving. The partnership was new then, and only tentative conclusions could be drawn about its utility. Now another year has passed and the FY 1980 SEAs have been completed and put into effect. An expanded FY 1981 process is under way. Once again it is time to take stock of the partnership and determine how well it is working.

In reviewing the SEA experience since last August, it is well to bear in mind the ultimate goals of SEA as they were stated in the first Annual Report. Those goals were:

- *To ensure that the large sums of Federal money going to the States produce tangible results in solving priority environmental problems; and*

- *To realign available resources to identify and solve the problems that separate programs cannot handle alone.*

The goals call for consolidated action. Individual media programs are aimed at particular aspects of environmental problems that are often broader in scope than the programs themselves. The SEA process is designed to widen the scope of problem-solving beyond programmatic boundaries by enlisting EPA and the States in a joint, comprehensive effort to define the true dimensions of the problems and to make commitments for solving them.

The groundwork for the partnership was laid in 1977 by enactment of the Clean Water Act (CWA), which emphasized the need for intergovernmental coordination of programs for environmental protection. On this foundation EPA devised the State-EPA Agreement and encouraged the Regions and States to adopt the instrument in FY 1979, covering all CWA programs. The SEA then became mandatory in FY 1980, for programs under the Clean Water Act, the Safe Drinking Water Act (SDWA) and the Resource Conservation and Recovery Act (RCRA). For FY 1981, all EPA programs are encouraged to be considered in the SEA negotiations.

Last year the emphasis of the SEA assessment was on the mechanics of starting up a new procedure. This year the emphasis is less on mechanics and more on outcomes in light of the SEA goals. Although the process is still relatively new, one can now begin to ask how much progress has been made toward integrated problem-solving.

To determine the current status of the SEA program, EPA undertook Regional assessments during July and August, 1980. As in 1979, teams of EPA Headquarters personnel visited each Region and interviewed Regional SEA participants and some State representatives. The conclusions drawn and recommendations made in this Annual Report are based on the findings of these surveys.

The Annual Report consists of two sections. The first, an executive summary provides a general overview of SEA trends, cites examples of successes and problems encountered in specific Regions, and makes recommendations for improvements where they are needed. The second section contains individual trip reports for each of the ten Regions, prepared by assessment team members.

Aims of the Assessment

The FY 1980-FY 1981 SEA Assessment had four chief purposes:

- *To determine changes in SEA approach since the last assessment and the reasons for adopting them,*
- *To identify specific instances of successes and problems in SEA development,*
- *To assist in further refinement of the SEA process,*
- *To evaluate the SEA experience with particular emphasis on areas identified from the last assessment as needing improvement:*
  - -- *Integration: Orientation toward environmental issues that cut across program categories. Consistency of priority issues with EPA National Guidance. Reflection of SEA priorities in grant applications/work plans. Improved commitments to SEA by Headquarters, Regions and States.*

-- *Coordination: Liaison with State executive/ legislative branches. Involvement of interstate and areawide branches. Synchronization of SEA's with State budget cycles and ZBB. Improved public participation.*

-- *Procedural improvements: Improved methods for analyzing environmental problems. Involvement of EPA program staff in SEA process. Improved use of environmental assessments and multi-year strategies. Reduction of paperwork. Improved tracking of SEA commitments.*

EXECUTIVE SUMMARY

STATUS OF AGREEMENTS

Execution of FY 1980 Agreements was timely (by December 31, 1979, 52 out of 57 SEAs were signed) and negotiation of FY 1981 SEAs is expected to be completed early in the fiscal year.

The State-EPA Agreements for FY 1980 were, in many cases, executed by the States and territories prior to October 1979. Where deadlines were missed, it was mainly because SEA negotiations did not commence early enough in the fiscal year or processing delays held up formal execution.

Negotiations for the FY 1981 Agreements were in process during the assessment and it appeared that most SEAs would be signed by early FY 1981. In the course of last year's assessment the Regions strongly urged that the FY 1981 State-EPA Agreement Guidance encourage the inclusion of all media programs, and this was done. As a result all EPA media programs were considered during the FY 1981 SEA negotiations.

The overall emphasis in the FY 1980 Agreements was programmatic rather than problem-specific. For example, one State agreed to issue 54 industrial and 104 municipal NPDES permits due to expire in FY 1980 while the Region agreed to provide technical, legal and administrative assistance in the operation of the NPDES program. In contrast to that programmatic priority another Region had four States identify acid rain as a major environmental problem; the Region and the State are considering forming a task force to deal with the interstate transfer of atmospheric pollutants in response to the problem. Generally the same condition pertains in the FY 1981 Agreements although determined efforts are being made in most regions to structure SEA negotiations in such a way as to promote inclusion of more environmental problem-solving issues and to approach their resolution in an integrated way.

PROCESS AND ORGANIZATION

The organizational structure and processes used by EPA Regional Offices for SEA development continue to vary according to Regional preferences and circumstances. Significant progress has been made in securing the active involvement of staff members responsible for specific programs.

This year, nine of the ten Regions have placed responsibility for coordinating the Regional SEA process in either the Regional Administrator's Office or the Management Division. This reflects the fact that SEA negotiations now cover all EPA programs rather than just water-related programs.

Last year's assessment found that the most successful Regional approaches always featured active participation by EPA program staff. More extensive involvement was encouraged. This year all Regions indicated that program staff had been more fully involved. This area still needs continued attention. However, the SEA process has proven generally less successful in securing the participation of interstate and areawide organizations, another goal set last year. The primary actors continue to be EPA Regional and State environmental officials. Either greater efforts should be made to recruit substate and multi-state entities as active participants or this goal should be reassessed.

> *State approaches to the process and organization of SEA development continue to vary widely. There has been a marked improvement overall in State participation in and approval of the SEA as an aid to cooperative environmental action.*

Little change in State structure and process has occurred since the last assessment. A variety of approaches, reflecting the diversity of the States themselves, exists. Last year it was concluded that several States were skeptical of the SEA process and were participating reluctantly. With a few exceptions, the States are now increasingly positive toward the SEA process. They have come to realize its inherent value for coordinating efforts, as a communication channel, and as a device to jointly identify and solve problems. In a number of States, the SEA is regarded as a primary tool for management of environmental affairs, whereas previously it was viewed as having doubtful utility. Last year it was found that several States doubted the willingness of EPA to make meaningful SEA commitments of its own. This year most States seem convinced that the EPA Regions are making sincere and credible efforts.

PROCEDURES FOR IDENTIFYING PRIORITIES

> *In most Regions the process of identifying priority SEA issues can be regarded as procedurally successful -- it has been adopted into the routine operational cycle, it functions smoothly, and the participants generally understand their roles. However, from a substantive standpoint the process remains largely confined to categorical, programmatic issues and has not yet resulted in comprehensive, problem-specific priorities on any broad-scale basis.*

A basic goal of the SEA is to assure that resources are allocated to priority environmental problems. If the SEA program is to be successful, it must be capable of consolidated action to solve environmental problems that cut across the boundaries of agency programs. This focus is particularly important in this era of limited resource allocation. A few Regions have made long strides toward this end, but most SEAs remain program-specific despite the heightened awareness of all participants that integrated environmental problem-solving approaches are desired. This is partly because the process being used to identify priorities does not often facilitate an

integrated approach. Environmental assessments, multi-year strategies and environmental profiles are in only limited use. Generally, the Annual Operating Year Guidance is used as a basis for determining SEA priorities. Grant applications and work plans more often reflect SEA priorities than previously.

> *In Region VI interdisciplinary teams for each State, headed by Division Directors, negotiated the FY 1980 SEAs. Acting as a panel of EPA experts, the teams met and developed mutually acceptable lists of what they considered to be State priorities. At the same time, the State developed similar lists. The EPA and State representatives then compared lists, negotiated changes and finalized a list of priority issues.*
>
> *Region VIII conducted its SEA priority identification process in a similar way. Early in the SEA process each State was required to highlight areas of priority as its work plan was developed. The Regional Administrator (RA) and each media program (e.g., air, water, etc.) identified areas which they felt needed priority concern. A Division Director took the lead in discussing with the RA and program staff the level of emphasis which should be placed on priority and program issues. In this way the concerns of day-to-day management of the program were defined, discussed and decided upon in light of overall top management priorities.*
>
> *In Region X, Environmental Profiles for each State were used to develop priorities. Multi-year strategies were included in each agreement for water programs and in some agreements for cross-cutting issues.*

MANAGEMENT

> *A major purpose of the SEA is to serve as an effective management tool for environmental problem-solving that cuts across program boundaries. In a few instances this goal has been approached, but overall the emphasis is still on administration of individual programs. However, coordination among and within agencies has continued to improve and the opportunities for cross-cutting problem-solving are rapidly increasing.*

As the examples below demonstrate, SEA has scored some important successes as a catalyst for management of EPA/State environmental action, but too often the action being managed is programmatic rather than integrated to address

cross-cutting environmental issues. More emphasis must be placed on making the SEA a management tool for comprehensive problem-solving. Tracking arrangements are greatly improved and constant efforts are being made to perfect them. A recent study of SEA tracking systems found that eight Regions had formalized a tracking process using such supporting mechanisms as quarterly and summary reports, mid-year reviews, end-of-year evaluations and work plan amendements. Unfortunately, the SEA process to date has not succeeded in reducing the burden of management paperwork. In a number of Regions, the SEA process is still labor intensive. Last year's assessment revealed a need for more prompt and detailed Headquarters guidance on SEA; this year the Regions believe that some improvement has been made in the quality and timeliness of guidance. It is hoped that these improvements will continue.

The most significant contributions of the SEA have been its ability to focus the attention of Regional and State managers on priority problems and its value as a tool of communication between State environmental agencies and Divisions within EPA. As long as it continues to serve this purpose, SEA has an excellent chance to evolve into a more comprehensive management tool.

In Region IX, the SEA is regarded as an "Agreement in Principle" among the parties. It is based on broad areas of agreement and general commitments, which are then specified in detail and linked to program grants. Thus the SEA acts as the Region's chief management instrument, translating general priority commitments into grant-specific terms. The SEA is also a high-level policy document in this Region. During SEA development there is close coordination between the Regional Administrator and the Governors to ensure compatibility of budget commitments.

As part of the FY '80 SEA process, the Regional Administrator of Region IV visited the Governors of the States in the Region to explain the SEAs and to solicit support for its implementation. As a result, five of the Governors were signatory to the FY '80 agreements, with State Agency Heads comprising the balance. Several of the States have used the SEA in discussions with State legislative committees that review the budgets to demonstrate effective priority setting and planning efforts.

In Region VI, problems are dealt with on an exception basis. The staff of each program area is responsible for tracking the SEA commitments which pertain to their program (e.g., water, hazardous waste, etc.) as a normal function of work program, tracking, and for reporting to the Division Director/Team Leader. The team leaders take corrective action on an "exceptions" basis, involving other Divisions and the Regional Administrator/Deputy Regional Administrator to the degree necessary.

Region X has taken major strides in institutionalizing a concept called "Managing for Environmental Results." The Regional office, through the SEA process, enters into a formal agreement with the States on the designation of priority environmental problems and the approaches to be taken as an attempt to solve them. These approaches, or strategies, become State commitments. In the same way, the Regions use written agreements between employees and supervisors to ensure the attainment of environmental goals and objectives. The Region's SEA tracking system serves as a means of follow-up on the commitments made by both the States and the Region.

Region VII has been in the forefront of efforts to merge the Region's grant process with the SEA process. The use of a new SEA format has reduced the burden of cross-referencing of SEA commitments with the work program during the process of tracking. Tracking efforts are now more streamlined and of greater utility.

PUBLIC PARTICIPATION

The experience with public participation in SEA development has been erratic. Although there have been isolated successes, the record is a disappointing one. A major reassessment of the public participation requirement may be warranted.

Last year's assessment noted that timing difficulties often impede public participation. Proposed SEAs were submitted for public review too late for the citizens to have any meaningful influence. Despite efforts to correct this problem, it still persists in several Regions. Even with the Regions' energetic efforts to promote participation, public apathy has also been encountered. In line with last year's recommendations, most Regions have been more active in the planning and implementation of SEA public involvement, and EPA Headquarters has improved its guidance. Despite the several positive experiences with this year's programs, the many public participation problems encountered strongly suggest that the requirement should be reconsidered.

In Region I, public participation was conducted primarily by the States. In Maine, the Department of Environmental Protection (DEP) sponsored three environmentaf fairs before the SEA was developed. It featured "topic tables" staffed by resource people from DEP and EPA who solicited participants views on environmental problems. Comments were recorded for development of the FY '80 issues.

Region VI also encouraged innovative public participation techniques. For FY '81, Arkansas had university graduate students conduct in-depth telephone interviews with 600 persons to discover their perceptions on environmental problems, programs and activities.

THE PARTNERSHIP: A REASSESSMENT

In some ways, the SEA process has made remarkable advances since last year. A year ago many Regions and States were doubtful of its utility and skeptical of the support EPA Headquarters was likely to continue to give it. Now the SEA is generally regarded with enthusiasm and is being widely used as a Regional management and coordination tool.

An indication of the significant improvement made in many aspects of the SEA process is depicted below. The table was developed from comments in the Regional Trip Reports. If no comment was made on a specific goal, the assumption was made that either no problem was involved or no change had taken place and a "No Change" tabulation made. There are some variations in degree and areas of progress between Regions, but it is obvious that the trend is positive. Conversely, those elements that continue to cause difficulty stand out clearly.

GOAL	CHANGE		
	Positive	No Change	Negative
Cross-Cutting Issues Addressed	7	3	0
EPA Program Staff Involvement	10	0	0
Interstate/Areawide Agency Involvement	1	9	0
Priority Issues/National Guidance Consistency	9	1	0
SEA/Grant Application Work Plan	10	0	0
Improved Tracking	10	0	0
Improved Headquarters Guidance	5	5	0
Environmental Assessment/Profile Use	6	4	0
Reduction of Paperwork	2	5	3
Improved State Commitment	9	1	0
Multi-Year Strategy Use	7	3	0
SEA/ZBB Interface	0	10	0
Public Participation	4	6	0

Procedurally, the SEA has gained acceptance as an integral part of the annual planning cycle. It is becoming institutionalized and is popular with many participants. However, the success of SEA as a process should not mislead us. It is all too easy to regard a process as an end in itself, and to forget what the process was meant to accomplish.

The SEA was intended to facilitate integrated environmental problem-solving. It has moved in this direction by enabling top State and EPA managers to focus together on high priority issues. Yet, despite its success as a process, the SEA is still largely programmatic rather than comprehensive in character. Several Regions and States have made progress toward program integration and the prospects for success are more promising today than they were a year ago. As long as this problem remains the SEA will not be able to achieve its most important goal. It must be prevented from coming to be regarded as only a new and more efficient instrument of conventional grant programs. It should therefore focus on a few key priority problems.

The growing popularity of the SEA should smooth the way for further improvement in the direction of comprehensive, integrated coverage. The challenge now is to find ways to make those improvements and gradually to incorporate the SEA approach and principles into the Agency's normal planning, management and budgeting process.

RECOMMENDATIONS

If the SEA program is to achieve its desired results, several major issues must be resolved by EPA in a swift and effective manner. These issues are sufficiently critical to warrant special treatment. Consequently, it is recommended that an SEA task force be assembled, to be chaired by the Office of Program Management with representation from each HQ media program and from the Regions, to address the issues and develop directives for inclusion in next year's SEA Guidance. The issues are:

- *The need to identify approaches which can be used to develop integrated SEAs that define and solve cross-cutting environmental problems. If the SEAs do not focus their attention on problems that require integrated effort beyond the capacity of a particular media program, they will be diminished in value and in danger of becoming no more than an umbrella under which established programmatic activities are carried out. All problems should be considered to assure comprehensive and coordinated planning, but only critical environmental problems or those cutting across programmatic lines in terms of complexity and need for resources need to be included in the SEAs.*

- *The need to clearly define what a priority environmental problem is and what its scope and magnitude is. Guidance on this question is needed to facilitate at least a minimum degree of consistency among Regions in their approaches to priority-setting.*

- *The need to reevaluate the requirement for SEA public participation in light of the largely disappointing results achieved to date. EPA should determine whether the current public participation required for the grant programs is sufficient for SEA purposes. If so, a special SEA requirement may be redundant; if not, it may be necessary to revise the requirement. One possible revision would be to involve the public only in the identification of priority environmental problems rather than throughout the entire process of SEA development, thus gaining citizen input at the earliest and most crucial stage. Negotiation and completion of the Agreements would then be carried out by the agency participants, consistent with the objectives the public has helped define.*

- *The need to reassess the requirement for SEA participation by areawide and interstate organizations. There is no evidence that this goal has been seriously pursued. Yet the involvement of such bodies remains*

important to the comprehensiveness of the SEA program, since they regularly identify and pursue their own environmental objectives which may or may not conform with those addressed by EPA and the States. The task force may wish to consider this issue and develop policies for securing the involvement of such organizations.

In addition to those issues, three others that were identified in last year's report need further effort and emphasis:

- *Those Regions and States that make use of long-range strategies and environmental profiles have found them useful in setting priorities, conducting SEA negotiations and preparing budgets. Regions and States should consider the use of such approaches, as appropriate.*

- *Efforts are still needed to better coordinate the SEA and the ZBB and to consider the impact of changes in priorities on State budget processes. Changes in timing or reporting requirements and greater use and reliance on long-range strategies are techniques that should be investigated to achieve this goal.*

- *There is no indication that improvement in the SEA process has brought about a reduction of paperwork. A review of administrative and reporting requirements could lead to elimination of those reports no longer needed as well as elimination of duplicative reports.*

REGION I SEA TRIP REPORT

INTRODUCTION

On August 6-7, 1980, Peter Wise, Deputy Director, Water Planning Division, and Barbara Roth, Water Planning Division, visited Region I to perform the Second Annual State-EPA Agreement Assessment.

Persons Contacted

Mr. Bill Adams, Regional Administrator
Ms. Leslie Carothers, Deputy Regional Administrator
Mr. George Mollineaux, SEA Coordinator, Management Division
Mr. Charles Murray, Director, Water Division
Mr. David Pickman, Public Participation Coordinator

State of Massachusetts

Ms. Linda Simio, Massachusetts Department of Environmental Quality Engineering
Ms. Lynn White, Audubon Society

Regional Summary

The Regional Administrator (RA) and the Deputy Regional Administrator (DRA) continue to strongly support the SEA process and actively participate in negotiating the Agreements. They view each SEA as a bilateral Agreement between EPA and the States. Each Agreement serves as a vehicle to focus top management on key environmental issues within a one-year time frame.

In FY '80 lead responsibility for coordinating the Agreements was in the Water Division. For FY '81, George Mollineaux, the SEA Coordinator has been transferred from the Water Division to the Management Division. The Grants Policy Committee (RA, DRA and Division Directors) is responsible for overall direction of development and tracking of SEAs. The SEA Coordinator acts as staff to the Committee. Program managers from pertinent Divisions are assigned to specific issues.

It is anticipated that all FY '81 Agreements will be signed by October 1, 1980. As of August 7, 1980, all the draft SEAs were submitted to EPA, except Connecticut. Public hearings are scheduled for late August and early September. Progress toward meeting the FY '80 SEA commitments were tracked on a quarterly basis. The Region's tracking system is well advanced and extremely effective in focusing top management attention on problems as they arise. For example, the RA sends a letter to each State Agency representative to discuss any problem that surfaces as a result of commitment tracking.

FY '80 SEA

Process and Organization

The process for developing FY '80 SEAs was similar to the process used in FY '79. A letter was sent to each State Environmental Agency outlining the time table for negotiating FY '80 SEAs. FY '80 SEA policy was discussed at meetings held at the State offices. A preliminary list of major management and environmental issues was prepared by Region I's Grant Policy Committee for each State. The Grants Policy Committee met with each State Agency and, through a negotiating process, agreed upon twelve specific priority issues. The DRA led the negotiating team. EPA staff personnel were assigned to develop work plans for the SEA priority issues in conjunction with specific individuals at each State Agency.

In many States more than one State Agency was involved in developing and negotiating SEA priorities. Each State designated one Agency primarily responsible for coordinating the SEA process. Individual sections of the SEAs were negotiated with the State Agency responsible for the priority issue and these sections were tied together with a covering agreement signed by the Agency heads and the Governor of each State.

Two new features were added to the format of the FY '81 agreements. First, the work plan activities in the agreement were displayed in a table format rather than a narrative one. The tasks, resources, and outputs to meet each particular SEA priority commitment were documented in the agreement.

The second new feature in Region I's FY '81 SEAs was the inclusion of a new section titled "Program Grant Highlights." Both the Region and States felt a number of important issues which were not selected as State-EPA Agreement issues deserved special attention and should be listed in a separate section in the agreements. The negotiation of specific project officer assignments and other matters pertaining to program grant highlights are not included in the SEA, but are included in the program grant work plans which are developed concurrently with the SEA. The grant work plans are referenced in the SEA. Up to twelve issues may be selected for program grant highlights.

Procedures for Identifying SEA Priorities

The methodology for identifying priorities in FY '81 is very similar to the one used in FY '80. Several States were more actively involved in the negotiation process than in previous years. The States increasingly have been using the Agreements as a tool to extract meaningful commitments from EPA (IPAs, technical assistance).

The Region used the Operating Year Guidance as a basis for identifying priorities. The consensus was that the Guidance was much improved. The issues are a mix of environmental, management and programmatic priorities. Some of the FY '80 issues are carried over into FY '81 SEAs.

Although the use of environmental assessments and five-year strategies has been minimal in preparing SEA priorities, they are included in the grant document. The Region is considering using environmental profiles as a framework for identifying priorities in the future.

Several of the priorities in the FY '81 Agreements focus on distinct region-wide and interstate pollution problems. Four Region I SEAs identify acid rain as a priority issue. As a consequence, they are considering the establishment of a Region-wide Task Force to address the problem of interstate transport of atmospheric pollutants which cause acid deposition.

Management

In FY '81 the tracking of SEA priority issues will remain relatively the same as in FY '80. The Region is making an effort in the FY'81 Agreements to more clearly define outputs so they can be more easily tracked. Issues in the Program Grants Highlights Section will also be tracked. Issues in the Program Grants Highlights Section will also be tracked and evaluated through the grant process, at the Division Director level. Region I Division Directors and comparable State level officials will be responsible for evaluating progress on meeting commitments associated with these issues. The frequency and format for reporting progress on these issues will be dependent upon the issue manager.

The RA has suggested scheduling informal meetings with top State level management to discuss FY '81 SEA issues. It is hoped these meetings will provide an opportunity to discuss the States' environmental problems in a cooperative and mutually informative way.

Region I has had substantial success in meeting commitments in the FY '80 Agreements. The Region feels that many of the unmet commitments were the result of unrealistic manpower estimates and unexpected delays in passage of legislation and issuance of regulations.

Public Participation

In FY '80 public participation was primarily conducted by the States. The major technique the States used to involve the public in the SEA process was public hearings on the draft SEAs. Connecticut spent approximately $10,000 advertising its hearings and attendance was poor. Vermont sent out 200 notices to interested persons and only a few showed up at the hearing. In fact, with the exception of Maine, public hearings were poorly attended. Public involvement in some cases had significant influence on the types of priorities and commitments addressed in the Agreements.

In Maine, the Department of Environmental Protection (DEP) sponsored three environmental fairs in various locations throughout the State before the draft SEA was developed. The format consisted of two to four-hour sessions with informal topic tables staffed with resource people from the DEP and EPA. Participants were encouraged to table hop and express their views on environmental problems. Their comments were recorded for agency response and for development of the FY '80 issues. See FY '81 SEA Handbook for more detail.

FY '81 SEA

Process and Organization

Lead responsibility for coordinating the SEA was transferred from the Water Division to the Management Division in FY '81. The SEA Coordinator remained the same. The Grants Policy Committee remained responsible for overall direction in developing, negotiating, and tracking the SEAs. The procedures for negotiating the Agreements remained relatively unchanged.

Public Participation

Overall, the public participation in the development of the FY '81 Agreements has been limited. Each State has planned to hold a public meeting in late August or early September. As was done for the FY '80 SEA, Maine conducted three environmental fairs to stimulate interest and involvement in the FY '81 SEA process. For FY '82 the State plans again to consolidate presentations of SEAs with other State program reviews. Connecticut will employ an advisory group. Rhode Island plans to consolidate its hearing on the priority list for construction grants with the SEA.

In FY '82 the Region plans to take a stronger role in generating public involvement in the SEA process. In cooperation with the States, the Region is considering sending a questionnaire on environmental problems to interested persons and organizations during the problem identification phase. The results will be incorporated into the Agreements. Region I has made a grant to the Audubon Society to help the State of Massachusetts involve the public early in FY '82 process. It is thought special interest groups may be able to generate more meaningful and earlier involvement in the process.

Massachusetts

The Assessment team met with Massachusetts representatives in the Regional Office. This meeting enabled the assessment team to have a clearer understanding of the State's perspective on the SEA process.

Background

In Massachusetts a number of State Agencies participated in negotiating the Agreement. They were: Massachusetts Department of Environmental Quality Engineering (DEQE), Department of Environmental Management (DEM), Department of Food and Agriculture (DFA), the Executive Office of Environmental Affairs (EOEA)

and the Metropolitan District Commission (MDC). DEQE was responsible for overall coordination of the Agreement.

The State felt the FY '80 Agreement issues were generated mostly by EPA. The SEA concept and process was still new. In FY '81 the State Directors became more actively involved in selecting and negotiating priority issues and preparing implementation work plans. The State also began to use the Agreement as a tool to gain more EPA involvement and commitment on the issues (through IPAs, specific set asides or conditions applied to grant funds).

The State indicated that some issues agreed upon in FY '81 SEA reflected EPA national priorities rather than State environmental needs. Some of the issues the States ranked high were not selected as priority issues, but were incorporated in the Program Grant Highlights Section of the Agreement. DEQE conducted an extensive mid-year evaluation of the FY '80 SEA process. The purpose of the review was to solicit ideas about improving the SEA process in Massachusetts. Interviews were held with each SEA State project manager and DEQE Division Director. Some things the survey revealed were:

- Agreements were a useful way to address problems
- State can use the Agreement to direct EPA resources to State priorities
- Difficult to generate public interest in the Agreements as a whole. However, the public is interested in specific issues.
- State must take a tougher stance in negotiating priorities with EPA.
- Reasons for delays in meeting work plan commitments vary - however, once any party misses a date the entire work plan is thrown off schedule.
- Project managers assigned to SEA issues have a heightened visibility within the Department.

The evaluation report also presented a series of recommendations for DEQE and EPA, individually as well as jointly. Many of these recommendations were incorporated into the FY '81 SEA process. For example, the addition of the Program Grant Highlights Section was, in part, a response to one of DEQE's recommendations. Some of the other recommendations included:

- More active involvement of top level State management in the SEA process.
- Adoption by the State of a quarterly SEA memo and report system similiar to EPA's.
- Preparation of a summary of previous year's SEA process.
- Encouragement of multiple year work plans.
- Increased qualitative evaluation of outputs.

Priorities

There are thirteen priorities in the FY' 81 Massachusetts-EPA Agreement. They include a mix of environmental, management and programmatic issues. They cover all EPA program areas. One of the priority issues "Massachusetts and EPA Strategy for the Control of Interstate Transport of Water Pollutants" involves cooperation and coordination of pollution control and abatement efforts between Connecticut and Massachusetts. EPA will take the lead in coordinating this effort. Acid rain is another priority issue in the Agreement, which seeks to foster communications between States on regionwide problems.

Public Participation

Public Participation in the SEA process was rather limited in developing the FY '80 Agreement. For FY '81 DEQE sent a memo to 300 interested parties asking for their nomination of SEA issues. The Department received comments from regional planning agencies, committees, and associations. A public meeting is planned for August on the draft FY '81 Agreement. To generate more meaningful involvement EPA has contracted with the Audubon Society to assist DEQE in conducting public participation for FY '82. The contractor will prepare a comprehensive mailing list and a brochure which explains the SEA process and solicits nomination of SEA issues. The contractor will also circulate news articles, a summary of major accomplishments of past SEAs, and will organize workshops and meetings held on SEAs.

General Regional Perspective

The Region identified several areas of concern during the assessment. They are the following:

- Slippage of HQ commitments to the Regions (i.e. issuing regulations). Many commitments in the Agreements are contingent upon HQ meeting deadlines.
- Concern that the Agreements remain as simple and flexible as possible. Increased reporting requirements will reduce the Agreements' utility as a true management tool able to focus on key issues.
- Earlier distribution of Agency Operating Year Guidance. The Guidance is used in setting priorities. This would be particularly useful to the States.
- Conflict between SEA commitments and resources allocated in the ZBB process. Need to translate SEA priorities into ZBB process. This requires getting an earlier start on the Agreements.
- Need for more funding flexibility.

Assessment Team's Perspective

Region I's top level managers have used the SEAs as an effective tool in managing key environmental issues in a limited time frame. The Agreements' success has been largely the result of strong and active support of the RA and DRA. The Agreements have served as a vehicle to improve communications between the Region and the States and among State Agencies by providing a forum to discuss environmental issues. The States have begun to actively support the Agreement and extract commitments from EPA in negotiating priorities. The document is evolving into a true bilateral agreement.

The addition of the Program Grants Highlights Section provides a more comprehensive account of the other important activities being conducted in the Region.

The Assessment Team believes that the Region I Agreements could become more effective, if they are developed in the context of long term strategies, particularly in the cases where priority SEA issues require several years to complete.

REGION II SEA TRIP REPORT

INTRODUCTION

On August 4-6, 1980 Peter Wise, Deputy Director, Water Planning Division and Barbara Roth, Water Planning Division, visited Region II to perform the Second Annual SEA Assessment.

Persons Contacted

Mr. Charles Warren, Regional Administrator
Mr. Conrad Simon, Water Division Director
Mr. Richard Caspe, Chief of Technical Resources Branch (N.J. SEA Manager)
Mr. Kevin Bricke, Acting Chief of Program and Toxic Integration Branch (Region II SEA Coordinator, N.Y. SEA Manager)
Ms. Joann Brennan, Chief of Program and Policy Development Section
Mr. Raymond Pfortner, Region II Citizen Participation Coordinator
Mr. Ralph Pruiett, Technical Resources Branch
Mr. John Smith, Technical Resources Branch

Puerto Rico

Mr. Rafael Andreu Villegas, EPA Caribbean SEA Manager
Mr. Frederick Rushford, Governors Office
Mr. Carl-Axel P. Soderberg, Director of Water Quality Area, Environmental Quality Board

Regional Summary

The SEA process continues to be supported by the Regional Administrator. Since the regional reorganization, overall SEA coordination responsibilities moved from the Regional Administrator's office to the Planning and Management Division. Each year, individual SEA managers are named for each jurisdiction. This year, the Caribbean manager is from the San Juan Field Office, the N.J. manager is from the Water Division, and the N.Y. manager is from the Planning and Management Division.

In developing FY '81 Agreements the Region is concentrating its efforts on updating and integrating the strategies and work plan activities related to FY '80 Agreements. The Region is also trying to refine its tracking system - by more clearly defining the SEA commitments and their outputs.

The FY '81 Agreements will cover all EPA programs except air in New Jersey and Puerto Rico. For FY '81, New York has separate water and air SEAs. The State plans to integrate the two SEAs into a single Agreement in FY '82. It is anticipated that all FY '81 SEAs will be signed by October 1, 1980.

FY '80 SEA

Process and Organization

With the regional reorganization, overall SEA coordination responsibilities moved from the Regional Administrator's Office to the Planning and Management Division. Individual SEA managers were subsequently named for each State. Project managers for specific SEA issues were responsible for the substance of the Agreements, for reviewing current SEA issues/strategies, updating current strategies and developing strategies to address new issues. Each Division Director was ultimately responsible for those parts of the Agreement that pertain to his/her program.

In three States more than one Agency was involved in identifying and negotiating SEA priorities. Each State designated one Agency as responsible for coordinating the Agreement. In the case of New York and Puerto Rico, the SEA process was principally responsible for improving cooperative relationships between Agencies.

Procedures for Identifying SEA Priorities

The principal priority-setting technique used for SEAs in Region II is built upon a process already in place - the previous year's Agreements. The process of updating the SEAs included mid-year reviews, where State and Federal program managers reviewed current issues and strategies and identified any new or revised environmental and institutional problem areas. Later Federal project managers and their State counterparts met to negotiate differences uncovered during the review. The States prepared a draft of the SEA which included long-range strategies and program work plans. EPA reviewed the States' drafts and final differences in the drafts were negotiated at meetings with State Program Managers and EPA Program Managers/Division Directors and conferences between the Regional Administrator and State Commissioners.

The FY '80 issues were predominately programmatic as opposed to environmental problem issues.

Management

The Region centered most of its FY '80 SEA tracking activities around the mid-year review. The SEA coordinator conducted an on-site review of SEA commitments with State representatives.

The SEA coordinator also received progress reports from Branch and Section Chiefs regarding SEA activities. From this information the coordinator prepared a list of issues for resolution by top management. Top level management then discussed policy options with their State counterparts. On the remaining issues the RA contacted the State Commissioners to work out differences.

The State one year work plans (included in the Agreement) were used to support program grant applications. The grant applications were developed concurrently with the SEAs.

FY '81 SEA

Public Participation

In FY '80, except for New Jersey, public involvement in the SEA process was limited in Region II. New Jersey did contract with a Statewide public interest group (Association of New Jersey Environmental Commissions) to inform target organizations about the intent of the SEA and to solicit input into the development of the Agreement. The Agreement was revised in response to public comments.

New York, Puerto Rico and the Virgin Islands all sent mailings to notify the public about the draft SEAs and conducted hearings on the individual Agreements. Responsiveness summaries were prepared for each Agreement.

FY '81 SEA

Process and Organization

The process for developing the FY '81 SEA was similar to the one used in FY '80. The only major change was the designation of an individual in the Caribbean Field Office to be responsible for coordination of the Puerto Rico and Virgin Islands Agreements rather than the Regional Office in New York. Commonwealth representatives believe that having the EPA coordinator in the Field Office has improved communications between the Region and the Commonwealth and expedited the preparation of Agreements and work programs. In Region II all EPA programs will be covered in the FY '81 Agreements, except for air in the Puerto Rico and New Jersey Agreements. New York has separate air and water SEAs. The State plans to integrate the two agreements in FY '82.

Procedures for Identifying SEA Priorities

The procedures for identifying priorities in the FY '81 SEA were similar to the previous year. In updating New Jersey's Agreement - the original 24 issues were restructured by integrating water resources with cross cutting policy and managerial issues. Relevant strategies and activities were updated accordingly. Region II personnel were largely responsible for preparing the draft of the FY '81 New Jersey Agreement; New York State personnel were largely responsible for drafting the FY '81 New York Agreement.

Management

The procedures for tracking and reviewing grant and SEA output commitments for FY '81 and developing the FY '82 SEA will be significantly revised. Region II plans to have in place by October 15, a commitment

tracking process consolidating all EPA and State commitment tracking with the FY '82 SEA update process. State and EPA program managers and SEA coordinators will be the focal points for every step in the process beginning with monthly commitment tracking and quarterly review meetings for each program.

The Planning and Management Division's Analytic Center is planning to undertake a comprehensive study of the SEA process with particular emphasis on:

- Ensuring that five year strategies and one year work plans are clearly linked to the solution of a state's priority environmental problems;
- Ensuring a proper link between the SEA and other state planning and management processes;
- Ensuring a proper link between the SEA and other EPA planning and management processes (e.g. ensuring the inclusion of EPA-SEA output commitments in the Region's annual operating plans, etc.).

Public Participation

The Region took an active role in trying to involve the public in the FY '81 SEA process. At a minimum, public hearings on the draft will be held in each State. Puerto Rico and the Virgin Islands present special problems in conducting public participation activities because of their unique cultural and organizational perspectives. A State by State breakdown of public participation follows:

New York

The Region, in conjunction with New York State, developed an environmental needs/issues survey. The survey was sent to over 4,800 persons and organizations representing a wide range of interests. The survey requested that: (1) the public rank environmental issues, (2) indicate their interest in receiving future mailings and (3) indicate their interest in attending a public hearing on the draft SEA. Over 800 responses were received. An additional hearing was scheduled because of the results. Four hearings are scheduled on the draft SEA during August.

New Jersey

The New Jersey Department of Environmental Protection, with the cooperation of EPA, sent mailings to interested persons and organizations. Three workshops are scheduled in August to present the draft Agreement to the public in an informal setting prior to the public hearing for discussion and clarification. Two public hearings on the draft agreement are scheduled in September.

Puerto Rico

Public involvement was limited in the early stages of the FY '81 SEA process. A public hearing was held in June on the draft agreement. 10 people attended the meeting which was held in Spanish. The Agreement was prepared in Spanish, and subsequently translated into English.

Virgin Islands

Limited early public involvement in the SEA process. Hearings scheduled on draft Agreement in August. Time only permitted discussion with the representatives from the Commonwealth of Puerto Rico on the State-Commonwealth perspective of the SEA process. The Assessment Team's perceptions are based on a conference call with those representatives.

Puerto Rico SEA

Background

The FY '81 SEA will cover all EPA programs except air. Five Agencies are directly involved in the development of the FY '81 Agreement in Puerto Rico. Three other Agencies are peripherally active in the process. The Governor's Office is responsible for overall coordination of the Puerto Rico Agencies.

In the past, the EPA individual responsible for EPA's efforts in developing the Puerto Rico SEA was stationed in the Regional Office in New York. This year the responsibility for coordinating the Commonwealth Agreement was delegated to the Caribbean Field Office in Puerto Rico. The State representatives feel this arrangement has improved communication between EPA and Puerto Rico and will make it easier to update future Agreements. The priorities in the FY '80 and FY '81 Agreements are similar.

State officials also feel that the mid-year review helps focus on slippages in meeting commitments, provides a forum to resolve issues and provides an opportunity to discuss coming year Agreements.

State representatives voiced some concerns during the assessment: They include:

- EPA needs to make more commitments in the Agreements.
- Need for assistance in estimating manpower to meet agreed commitments. Puerto Rico has experienced staffing problems which have often made it difficult to meet commitments.
- Need guidance on how to coordinate the SEA process more closely with the budget cycle.
- Puerto Rico needs help in translating the Agreement from Spanish into English. This procedure is time consuming and costly.

A public hearing on the draft Agreement was held in June in Spanish. 10 people attended the meeting. The Agreement is in the process of being circulated by the Governor's SEA coordinator to the Puerto Rico Agencies for their concurrence. The Governor and the RA are expected to sign the Agreement in August.

General Regional Perspectives

The Region identified several areas of concern during the assessment. They include:

- SEA needs to remain a flexible document.
- SEA guidance needs to address relationship between ZBB, SEA process and State budget cycles.
- Agency Operating Year Guidance needs to be distributed earlier.
- AAs need to provide more direction to each program. In Agency Operating Year Guidance everything is a priority.
- Agency Guidance is only a one year plan. Need a longer term strategy.

Assessment Team's Perspective

Region II was a pioneer in the SEA process. Its top level management continue to support the process and the Region has made a conscious effort to involve the public early in the SEA priority setting process.

The Assessment Team feels, however, that the SEA process could become a more effective management tool if the Region would concentrate on making more diverse and meaningful commitments in the SEAs (i.e. in addition to the rather heavy emphasis on grant awards). This would encourage the States to take a more active interest in the phase development of the SEAs.

REGION III SEA TRIP REPORT

INTRODUCTION

On August 12 and 13, Greg Glahn of the Office of Air Quality Planning and Standards, OANR and Sherry Hiemstra of the Program Evaluation Division, OPM, visited Region III as part of the State-EPA Agreement (SEA) Assessment.

Persons Contacted

Mr. George Pence, Acting Director, Office of Intergovernmental Relations and Public Awareness (OIRPA)
Ms. Mary Sarno - Grants Coordinator (OIRPA)
Mr. Steve Wassersug and staff - Director, Air and Hazardous Materials Division
Mr. Len Mangiaracina - Deputy Director, Enforcement Division
Mr. Greene Jones - Division Director, Water Division
Mr. Stan Laskowski, Bob Kramer, and Larry Wilson - Surveillance and Analysis Division
Mr. Henry Brubaker - State Program Officer for Virginia (OIRPA)
Mr. Dick Pastor - State Program Officer for Pennsylvania (OIRPA)
Mr. Jim Burke - State Program Officer for West Virginia (OIRPA)
Mr. Paul Ambrose - State Program Officer for Delaware and Maryland (OIRPA)

SEA RESPONSIBILITY IN THE REGION

Principal Responsibility Is In OIRPA

State-EPA Agreement activities are managed by the Office of Intergovernmental Relations and Public Awareness (OIRPA), an office that reports directly to the Regional Administrator. The Office has responsibility for Environmental Impact Statements, Congressional Affairs, Public Affairs, Basin Coordination, the Federal Regional Council, and State Relations. It is in the State Relations Branch that responsibility for SEA is housed. This Branch has five GS-14 Program Officers -- one for each State the Region covers with the exception of Maryland and Delaware, which are covered by one Program Officer.

The State Program Officers also are responsible for issuing 105 and 106 grants. Right now, Program Officers negotiate SEAs and the 105 and 106 grants jointly. The Region plans to include more and more of the grants in the agreements. George Pence, Acting Director of OIRPA, indicated that using the Program Officers for the SEA negotiation process has worked well -- that State officials like having a specific person they can come to and who can then draw in the appropriate Regional Program staff on an issue.

OTHER OFFICES GET INVOLVED IN NEGOTIATIONS

To Varying Degrees

In conversations with Regional staff, it appeared that other persons in the Region are involved to varying degrees in the SEA process. Although we were unable to interview the Regional Administrator, it was clear that he is seen by Regional staff as being very supportive of the State-EPA Agreement Process.

Regional Division Directors and Branch Chiefs are involved to varying degrees in the State-EPA Agreement process. State Program Officers ask Division Directors and Branch Chiefs to help in developing the list of SEA priorities for negotiation with the States; each State Program Officer asks each Division for a list of its State-by-State priorities, consolidates them, and then negotiates the list with the State. However, whether Division Directors and Branch Chiefs actually sit down and negotiate with the State along with the Program Officer, who takes the principal role in negotiations, depends on the State, the Program Officer and on the personalities and relationships of particular Division Directors. We noted what appeared to be considerable variation in involvement depending on who the State Program Officer was; in only one case --- the Pennsylvania SEA -- did it appear that program staff had been extensively involved in negotiations.

SPECIFICITY OF AGREEMENTS VARIES

The Region is Flexible

Region III has been very flexible in its approach to State-EPA agreements. State Program Officers appear to have the same general philosophy about where the Agreements should be going (although some are more focused on using the SEA as an accountability mechanism for grant funds while others are more intent on identifying major environmental issues and directing available grant funds toward them), but are limited in how far they can go by the attitude of the State they work with. Virginia, for example, wants to keep its agreement vague and general, while the State official negotiating the Delaware agreement wants the agreement to be so specific as to provide a work plan with flow charts.

The Preamble to the Agreements is standard for all the State Agreements, but Parts I, II, and III vary more from State to State. In most of the Agreements, Part I is a statement of major environmental issues and objectives for improving them; Part II is an elaboration of those objectives, and Part III is the actual EPA grant agreements (incorporated by reference). The Delaware agreement, which identified "program development needs" (e.g., delegation of the Construction Grants program, establishing a procedure for developing AWT facilities requirements), is an exception. Part I is an introduction, Part II is a State environmental assessment, Part III, identifies "Program Development Needs," Part IV contains program summaries and key activities each of the programs will address, and Part V is the grants (included by reference).

Part II of the documents is where one sees the greatest contrast. Some draft Agreements (for '81) have specific milestones with dates by which they will be achieved and the name and phone number of the persons responsible in EPA and the State. Other agreements do not contain this specificity.

Most SEA Commitments Are Not New Activities

It appeared, from reviewing FY '80 and FY '81 drafts of the Agreements and from our discussions with Regional staff, that most of the SEA commitments are not "new" activities for EPA and the States. Rather, they are more specific statements of things EPA and the State would be doing anyway. For example, in the FY '80 Virginia agreement the State agreed (among many other actions) to process Construction Grant applications in a timely manner and EPA agreed to expeditiously process all construction grant actions referred to it by the State; Pennsylvania agreed in its FY '80 agreement to "issue 54 major industrial and 104 major municipal NPDES permits that will expire in FY '80" while EPA agreed to "provide technical, legal, administrative, and policy guidance and assistance in the operation of the NPDES program."

The FY '81 West Virginia Agreement seemed to be an exception in this regard. The agreement appears to have resulted in greater integration of activities and more interagency cooperation that might not have resulted without the SEA. For example, the '81 draft agreement provides for using 208 funds to assess problems of acid mine drainage, combined with EPA's arranging for an IPA from the Office of Surface Mining to be assigned to the State.

The objective of this work is that, in FY 1981, the State and EPA will make an effort to develop a "coal strategy" intergrating planning, implementation, monitoring, permitting, enforcement, and evaluation.

One problem several interviewees raised with us was that the SEAs are very program-specific and do not attempt to intergrate funds from several programs to solve a problem.

One Regional Division Director indicated that we "have SEA but it's like a box with blocks -- not an umbrella. There are no ties between programs; we need more coordination." Coordination was seen as particularly difficult for programs in other than "environmental" agencies in the States -- e.g., TSCA and Pesticides, which are often in the Agriculture Department.

THE PROCESS GETS MIXED REVIEWS

Regional Staff Seem Positive

Region III staff are still, for the most part, not certain about whether the benefits of SEAs are worth the resources, but on the whole seemed positive about their possible benefit over the next several years. Right now they see the Agreements as being resource intensive, and don't think they've gained much by having them. However, the State Program Officers agreed that progress has been made over the last year, and that there is more focus on major environmental problems as a result of the SEAs.

Benefits that are conceded include the fact that SEAs have forced program people to integrate more, have sensitized Regional staff to States' problems and to multi-disciplinary approaches States have to take, and have begun to open up resources-- to show relationships between resources that permit those funds to do more than just solve a single problem. However, they are also expensive in terms of staff and travel time; we were repeatedly told that it takes more resources to track grants than simply to give grants.

One Deputy Division Director said that most things done under the auspices of SEA would be done anyway, but SEA decreases the number of misunderstandings that would take place.

States See Little Benefit

George Pence indicated that the States in Region III in general see relatively little benefit in the SEAs, with the exception of Delaware, where the person responsible was formerly with EPA's New York Regional Office. (This person wants the SEA to provide a work plan with flow charts.) The major "selling points" the Region is using with the States are:

1) that funding can be made available to the State sooner;

2) that it's an opportunity for the State to get the Region to commit to deadlines;

3) that it allows the Region to talk with the State and come to an agreement about whether certain aspects of the program can be done; and

4) that it is a "mutual" agreement.

Even given these selling points, though, it appears that several States in the Region, and particularly Virginia and Maryland, have been very wary of the process. (We did not speak with any State officials during our visit.) Their concern, as presented to us by the Region, has been that EPA may be using this mechanism to create "State EPA's" -- a very threatening prospect to independent air boards and other State organizations that want to retain their autonomy. EPA, we were told, did not help alleviate this concern when it stated in the SEA guidance document that EPA should encourage the formation of State EPA's. Similarly, while States want more flexibility in using resources within a program, they are resistant to grant consolidation, particularly where programs are small, because they assume the small programs will be meshed with a larger program.

We were also told that, while the SEA is intended as a two way street, the States don't now use them to their advantage -- they simply see the SEA as a grant mechanism. The Region doesn't encourage States to require EPA to make commitments because they see themselves as having little control over what gets done. For example, the State can have the Regional Office commit to getting the regulations for a particular program out on time, but Headquarters, not the Region, controls what is done.

Regions' Bargaining Power Is Limited

Flexibility of operating plans and timing were also mentioned as problems associated with SEA negotiation. The Regional staff thought that there needs to be more flexibility to allow the Regions to trade resources from one area to another (e.g., from Water Quality to RCRA) to enable the Regions to address priorities the State wants to include in the State/EPA Agreement. Right now, operating plans are submitted by the Regions in April or May; the Regions are still negotiating SEAs with States at that time. As a result, the SEA is made vague; how vague it needs to be is the big problem.

The Regional program staff also indicated that because States have different fiscal years and must plan their budgets early, the Agreements are not really negotiations with the States -- they are "second-guessing" the States. (Some persons argued that this was not the case, since States' budgets cover a wide range of areas and were talking about a limited amount of money to match EPA grant dollars.)

The point was also made that SEAs are in regulations only in the water program, and that we should require them in all our program regulations if they are really important to us.

THERE IS A MECHANISM FOR TRACKING PROGRESS

The Program Officer for each State conducts quarterly and semi-annual assessments of State activities. In most cases, a representative from every program office goes out with the Program Officer on these assessments. These persons sit down with the Division managers in each State and follow up with persons at the Commissioner level. In these sessions, Program Officers review progress aginst SEA and grant commitments and begin to negotiate SEA priorities for the coming year.

PUBLIC PARTICIPATION IS SOUGHT

Each State Program Officer has made a very good effort to get public patricipation, but few thought the response was worth the effort.

One program officer indicated that the Agency's public participation requirements are much too detailed and are not very effective.

In West Virginia, the State consolidated the public hearings required for its SEA and all EPA grants into one session.

1981 AGREEMENTS ARE ON SHCEDULE

All '81 agreements appear to be on schedule; drafts are available now and signing ceremonies are being planned with the Governors and the RA for early October.

'81 agreements for all the States are more comprehensive than last year. This is discussed in more detail in the State reports which follow.

THE AGREEMENTS

Virginia

To get a sense of progress and problems with the Virginia agreement, we spoke with the State Program Officer, Henry Brubaker.

Mr. Brubaker stated that the key to getting a State-EPA Agreement in Virginia is in dealing with all of the agencies and independent boards responsible for environmental activities. The State's organization is complex (e.g., the Air and Water Pollution functions are located in separate independent boards that report to the Secretary of Commerce and Resources; the Health Department is under a different Secretary) and follows tradition; State officials are very reluctant to take action they perceive as making them less autonomous -- such as having the Governor sign the SEA, or having grants (which are signed by the Executive Directors of the Boards) included as part III of the SEAs.

Whether grants will be part of the SEAs and whether the Governor will sign the agreement are major controversies right now. The State wants grant conditions in hand before signing the SEA. Mr. Brubaker indicated that the Region's leverage on the State is quite limited in that the States outmatch Federal money, and have been leading the Federal government in their expenditures for environmental programs.

Another issue of concern is how general or specific the agreement should be. Mr Brubaker and other program officers in the Region want specific goals and objectives in the agreement -- e.g., taking action to reduce the pesticide runoff into the Albemarle Sound -- but the State wants the agreement "vague and general."

The '80 Virginia agreement included RCRA, SDWA, the water and air programs (including I/M, FIFRA, and TSCA. The Virginia Department of Agriculture's participation in the '81 agreement is uncertain.

Pennsylvania

Dick Pastor, the State Program Officer for Pennsylvania, provided us with information on the Pennsylvania agreement process.

The Secretary of the Department of Environmental Resources in Pennsylvania is very supportive of the State-EPA Agreement process.

The Pennsylvania agreement for FY '80 covered a limited number of programs so as to raise chances of success. The '80 Agreement is very detailed. Part I contains issues; Part II, which contains PPA's, is the grant work plan. Part III contains the grants themselves. Mr. Pastor intentionally wrote in this much detail in order to highlight to the Governor, who signs the Agreement, that the State hadn't been meeting its commitments. He sees including this detail in the SEAs as a way of limiting the amount of paperwork on 106 grants. The outcome of this he told us, has been three-fold:

1) The Governor indicated to State staff that he expected the SEA commitments to be met, and that if there were competition for resources, these priorities were the ones to be met first;

2) When other programs saw the specificity the State was held to in the Agreement, they became interested in getting their programs into the State-EPA Agreement; and

3) Establishing these detailed commitments has lent some stability to programs, since EPA must meet its commitments, and has helped the State do some realistic program planning: what's in the State-EPA Agreement is what's done first.

Mr. Pastor indicated that in his view, if there is a failing with State-EPA agreements, it is that they aren't documents that enable a State to lay out its environmental problems and determine how to solve them, but are oriented toward those problems where EPA money is available. He pointed out that frequently these areas -- problems and areas where EPA money is available -- aren't the same -- e.g., nonpoint source and acid mine drainage.

In FY '81 the Pennsylvania agreement will include a wider range of EPA programs -- everything except noise -- and the Department of Transportation, the Basin Commission, and, although not a signator, the Philadelphia Air Agency.

West Virginia

West Virginia's SEA was described to us by the State Program Officer, Jim Burke.

West Virginia, like Virginia, is decentralized, and State Officials are concerned that State-EPA Agreements are an EPA mechanism for forcing development of a superagency. For this reason, the FY '80 State/EPA Agreement concentrated on the Health Department (RCRA and SDWA) and Department of Natural Resources (DNR) programs. The FY '81 agreement, though will be completely comprehensive, including the Health Department, DNR, the Department of Agriculture, the Air Pollution Control Commission, and the Governor's Office of Economic and Community Development.

The Agreements, which are negotiated by Jim Burke's meeting one-on-one with the directors of these Departments and Commissions, will be signed by the Governor and the Regional Administrator. There is some resistance to the agreements at the State agency director level and more resistance at the staff level.

The West Virginia Agreement will be more specific in FY '81 than it was in FY '80 in order to provide for some evaluation. Part I of the agreement will focus on seven major environmental issues in the State to which resources from single or multiple grants will be directed. Where EPA funds are not available to resolve problems, the State Program Officer has attempted to work out

arrangements with other agencies to provide assistance. For example, acid mine drainage from abandoned coal mines is a major issue in the State. EPA's 208 program can be used for planning regarding this problem, but not for solving the problem. To provide assistance on solving the problem, the State Program Officer negotiated an IPA from the Office of Surface Mining to the Department of Natural Resources.

Delaware/Maryland

Delaware and Maryland are the responsibility of Paul Ambrose.

Mr. Ambrose saw the benefits of SEAs in both States in that they forced people to talk and coordinate, and forced them to address environmental issues. However, he pointed out that there are different perceptions of what should be in the State-EPA Agreements -- that some people argue for including only major problems while others want to include "bean-counting."

In general, Delaware has been supportive of the Agreements, largely because there is a new Director for Environmental Control in the State who had worked for Chris Beck in New York and who supports the process. In FY '80, Mr. Ambrose prepared a list of top priorities using the Operating Year Guidance, had meetings with the Regional Office Division Directors, and then met with the Director of Environmental Control. Mr. Ambrose wanted to emphasize environmental problems in Part I, but that didn't work because the Director wanted to focus on "program development needs," including milestones, rather than environmental problems. The FY '81 agreement with Delaware will include air, noise, water, and pesticides.

In Maryland, little was done in FY '80 on the State-EPA agreements. The Governor did sign a letter which the RA accepted as the SEA, but few if any commitments were made. Mr. Ambrose was unclear about whether he expects to make any progress with the State in this regard.

The items in SEAs are tracked at monthly meetings between the Division Directors and program officer, at which forms submitted by the States are reviewed.

REGION IV SEA TRIP REPORT

INTRODUCTION

On July 29-30, 1980, Jerry Emison (Office of Planning and Management) and Greg Glahn (Office of Air, Noise and Radiation) visited with officials and Staff of EPA Region IV in Atlanta to review the current status of the State-EPA Agreement (SEA) process and the changes that have occurred since the previous review in July 1979. A number of Regional Office officials and staff, including the Regional Administrator, were interviewed by the team during the two-day visit. This report summarizes the results of the visit and discussions.

Persons Contacted

Ms. Rebecca Hanmer Regional Administrator
Mr. Tom Devine, Director, Air & Hazardous Materials Division
Mr. George Harlow, Deputy Director, Air & Harzardous Materials Division
Mr. James Silva, Deputy Director, Water Division
Mr. Robert Humphries, Director, Office of Congressional & External Affairs
Mr. Sanford Harvey, Director, Enforcement Division
Mr. Howard Zeller, Deputy Director, Enforcement Division
Mr. Bill Adams, Deputy Director, Surveillance/Analysis Division
Mr. H. Mack Rhodes, Office of Program Intergration and Operations
Mr. Henry Hudson, Office of Program Integration and Operations
Mr. Frank Redmond, Office of Congressional & External Affairs
Mr. Brian Beals, Air & Hazardous Materials Division
Mr. Mike Levi, Water Division
Mr. Don Taylor, Office of Program Integration and Operations
Mr. Tom Nessmith, Office of Program Integration and Operations
Mr. Winston Smith, Air & Hazardous Materials Division
Mr. Harold Hopkins, Water Division
Mr. Robert Jordan, Water Division
Mr. Thad Allen, Enforcement Division

State of Georgia

Mr. Jim Setzer, Georgia Environmental Protection Division

Regional Summary

Region IV, while not participating in the FY '79 SEA process, undertook major efforts in FY '80 to implement the process within all States. The FY '80 effort resulted in the execution of agreements prior to the end of the fiscal year. The FY '81 efforts are focusing on improving the process, including certain modifications in organizational roles, procedures, and schedules. Overall the process for FY '81 is proceeding on schedule.

The SEA process in Region IV has strong support and continual interest and attention from the Regional Administrator who personally takes a very active role in priority setting and the negotiation process. The Regional Administrator sees the SEA process as an extremely important management tool to help her manage Regional Office Staff and to work with the top management of State environmental programs. The Regional Administrator feels the process provides much needed flexibility to the Regional Office and particularly to the Regional Administrator. She also expressed concern that no actions be taken by the Headquarters in its overview capacity which would limit or restrain this flexibility and important decision making authority.

Most interviewees felt the SEA process continues to improve communications at the upper management levels of both the Regional Office and the State environmental programs. Several also felt it helped foster better communications among staff of the Regional Office and the State, especially those where responsibilities are split between different State agencies. While recognizing the importance of the SEA process as a top level management tool, most of the interviewees felt the process, while significantly improved in FY '81, had not reached the point where the benefits outweighed the costs. Many stated the process was very resource intensive and that benefits as a working tool had, to date, been limited. During the interviews, a number of other perspectives and recommendations were provided by various staff. A list of some of these perspectives and recommendations is provided later in this report.

FY '80 SEA

Status

The FY '80 agreements covered programs under the Clean Water Act (CWA), the Safe Drinking Water Act. (SDWA), the Resource Conservation and Recovery Act (RCRA), and the Clean Air Act (CAA) in all States. In addition, radiation issues were included in the agreement of one of the States. No noise or pesticides issues were included in any FY '80 SEA. The Region experienced no delay, with the agreements being finalized in August and September of 1979.

Process and Organizational Responsibilities

As described in the 1979 Report for State-EPA Agreements (October 1979), the SEA process for FY '80 was managed by the staff of the State Operations Branch (SOB) located within the Office of Program Integration and Operations (OPIO) which is part of the Office of the Regional Administrator. The SOB had prime responsibility for the negotiation and finalization of the SEAs in FY '80. Staff of the SOB functioned as the responsible Project Officer for the implementation of the process and the successful completion of agreements with all States. Program Offices (Divisions) participated in the process but the extent of participation varied among the offices and at different stages in the process.

Priority Identification

For the FY '80 agreements, staff of SOB initiated the priority setting process by developing a preliminary list of priorities addressing all major

program areas. At the request of SOB, the Divisions provided input into the priority development effort. The States were then given copies of the listing and requested to prepare similar lists of their own. Regional Office program and management staff including the Regional Administrator subsequently provided a final list of 10-12 issues per State suitable for formal negotiations with the State.

While some of the FY '80 issues were responsive to specific problem areas, the majority focused on implementation of more traditional programmatic activities. Although certain issues selected will likely have to be continued into future years, the Region has not pursued as a matter of policy the development of specific multi-year strategies. Several of the issues involved cross-cutting of traditional program lines where the programs were in the Office of Water and Waste Management.

Management

For FY '80 agreements, SEA teams comprised of staff from both SOB and the Divisions conducted a series of meetings with the States to finalize SEA issue selection with State Agency Heads to develop corresponding write-ups and to negotiate grant work plans which would incorporate activities for the implementation or resolution of the SEA issues. The grants were included as appendices to the final executed SEAs.

In early FY '80, Region IV developed procedures for the tracking of SEA progress. The procedures required the preparation of brief narrative quarterly reports for each SEA issue by both a State and Regional Office task leader assigned to each issue by the respective agencies. The reports, including the State report, are reviewed by SOB who reviews them for progress. SOB forwards copies of the Regional Office and State prepared reports to the Divisions for their review and comment, and transmits copies of the Regional Office report to the respective States. A quarterly briefing for the Regional Administrator and other senior management staff concerning SEA progress and problems is an element of the tracking procedure. To date it has been possible to conduct one such briefing on selected issues.

It appears that the FY '80 process did not result in major reduction in paperwork for the Regional Office but in reality increased it beyond that previously required for the traditional grants process. The reporting procedures for the SEA have also increased reporting requirements for both the Region and the States. The Regional Administrator has expressed a particular concern about the reporting requirements for States and has designated a committee to study reporting for both the SEA and grants. A final decision concerning reporting requirements for FY '81 will be made shortly after the beginning of the fiscal year.

Overall, progress to date appears to have been satisfactory in meeting the FY '80 SEA commitments. Some shortfalls are being experienced on specific issues in some States, but efforts are underway to resolve these with the appropriate States. Some of the shortfalls are due to circumstances beyond either the Regional Office of State control (i.e., lateness in the promulgation of a regulation by EPA) or reflect different interpretations between the Region and a State concerning the meaning of an SEA commitment.

As part of the FY '80 process, the Regional Administrator visited the Governors of each State to explain the process and to solicit thier support for its implementation. Five of the Governors were signatory to the agreements with State Agency Heads comprising the balance. No similar contact effort was undertaken with respect to the State legislatures. However, staff felt that some States have used the SEA in discussions with State legislative committees as a demonstration of effective priority setting and planning efforts.

The SEA process was not synchronized with the State budget cycles as most States within Region IV are on a July-June fiscal year. This cycle requires States to make major budgetary and planning decisions early in the calendar year before the SEA process really gets underway. However, the Region did not consider this a major problem for the SEA process, at least at the present time. States seem to be able to get around this problem, particularly since the grants are not synchronized either with most State fiscal years. Concern was expressed about the schedule for the SEA process not being consistent with the schedule for the development of the Regional Office Operating Plan. This could result in different commitments to the States and to Headquarters for use of the same limited Regional Office resources.

Public Participation

For FY '80 agreements, public participation efforts were minimal because of the late start in initiating the process in the Region and the time required to implement the process with all of the States. The States did conduct public hearings on the final draft of the agreement prior to their execution by the Regional Office and the State, but there was concern that such involvement by the public near the end of the process limited meaningful input.

FY '81 SEA

Status

The FY '81 agreements are scheduled to be completed prior to the beginnig of the fiscal year. The process for FY '81 agreements provided opportunities for coverage of all programs. Some programs, however, were not included in the final SEA list for each State. Noise is not included in any of the proposed SEAs, the SEA for one State will contain several issues on pesticides, and radiation concerns will be included in the SEA of several States.

Process and Organizational Responsibilities

Several changes in the process and organization are occurring as part ot the FY '81 efforts. The procedures and schedules for the FY '81 process were developed by SOB in late 1979. SOB staff visited each State in January/ February to discuss the procedures and schedules and to encourage early State involvement in the process. However, the SOB has less of a direct management role for the process in FY '81 compared to FY '80. SOB staff now serve more as process coordinators than direct Project Officers. The Divisions have been directed by the Regional Administrator to play a more direct role in process, and have greater responsibility for the implementation and success of the process. Also, the management of the grants process which had been

the responsibility of SOB in FY '80 has been transferred bach into the respective Divisions. Some confusion exists between OPIO and the program offices concerning relative responsibilities for portions of the process as the transition continues.SOB staff help keep the process on track and provide comments and guidance to the respective Divisions.

Priority Identification

The initial step in the identification of priority issues for the FY '81 agreements required the development by each Division/Office Director of 3-5 proposed issues or priorities for each State. The States were simultaneously encouraged to prepare a similar list. The FY '81 Operating Year Guidance issued by Headquarters in February was a major consideration in developing this preliminary list of issues. The Division/Office Directors ranked the issues contained in the listing, not only for those of their office, but the others as well. The ranking criteria was composed of three elements: the mandate for (i.e., legislative, regulatory); the environmental impact of; and the marginal utility (i.e., cost/benefit) of each issue with a low (1 point), medium (3 points) or high (5 points) ranking accorded to each element for each issue. This procedure provided a more "scientific" rationale for determining which issues should be incorporated into the final recommendations made to each State by the Region. A Regional Office Committee comprised of the Regional Administrator, Deputy, and Division/Office Directors then met to review the ranking results and made limited adjustments as needed.

This final Regional Office list, in conjunction with the State's list and input from the public, formed the basis for the negotiating sessions held during April with each State ("Summit Conference"). At these sessions, the Regional Administrator served as the principal EPA spokesperson and negotiator. Also attending were the Deputy Regional Administrator, Division/Office Directors, SOB staff, selected Division staff, State Environmental Director, and State Program Managers. The results of these sessions were a jointly agreed list of 10-12 issues per State. Agreement was also reached as to whom (State or Regional Office would prepare a statement of the problem or issue; necessary commitments; and resources to be allocated to the issue. Also, at or following the session, a Regional Office or a State task leader was assigned the responsibility for coordinating and finalizing the write-up of each of the issues and to insure that the write-up provided sufficient specificity, including schedules and milestones. One State indicated it intended to prepare the write-ups for all of negotiated issues within the State. Most disagreements concerning the issues were resolved at the conferences. However, where inclusion of an issue could not be resolved, it was classified as a "candidate" issue where further study would be conducted for possible inclusion later. It appears that most of the "candidate" issues will not be included in the final SEAs.

Most of the issues selected were geared to problem solving. The issues included both environmental and management problems. As in FY '80, the Region is not requiring the development of multi-year strategies. However, staff is attempting to improve State recognition that certain issues will require efforts over several years and that commitments in future SEAs will

likely be necessary. As in FY '80, some issues reflect a cross-cutting of traditional program lines (i.e., radiation in groundwater supplies) and included program areas outside the Office of Water and Waste Management.

Management

For FY '81, the States are being requested to make their grant workplans and activity and resource descriptions more definitive about how they will be responsive to specific SEA issues. The Region considers the FY '81 grant workplans as an integral part of the total SEA. The workplans are initially developed by the States in June/July following completion of joint agreement on the issue write-ups for each issue. While it is premature to determine if the final workplans will adequately address all of the SEA issues, it appears from preliminary workplans that most will be responsive, although others will require additional follow-up with the States.

The Regional Office is currently reassessing tracking procedures for possible changes in FY '81. At the same time, it is also assessing reporting requirements for the grant programs.

Since her arrival in January 1980, the Regional Administrator has met with the State Governors on a wide variety of subjects, including discussion of SEAs in some cases. It is expected that four Governors will be signatory to the final FY '81 agreements. The remaining three will be delegated to the appropriate State Agency Head, As in FY '80, no initiative has been undertaken by the Region to directly contact State legislatures concerning the process. The SEA process continues to be unsynchronized with the States' budget cycles, but again this does not appear to be presenting any major problem.

Public Participation

The Region, in developing its procedures for the FY '81 process, encouraged States to involve the public early in the process, particularly in the development of the State's proliminary issue list. Most of the States have tried to involve the public directly into the priority identification process. Examples include the use of questionnaires in one State and consultation with standing State citizen committees in another. One State has employed a contractor to help foster public participation because of restrictions on State employment, which prevents increases in State staff. As in FY '80, the States will continue to hold public hearings in July and August for the final draft of the SEA prior to its execution. The Regional Administrator also has a citizens advisory committee (Regional Administrators Council) with two representatives for each State which provides input to the Regional Administrator and the State programs concerning priorities and problem areas. The Office of Congressional and External Affairs works to secure State public participation efforts as key issues in the SEA and to emphasize the need for the various State pulbic participation programs to be effectively integrated.

KEY PERSPECTIVES

Significant SEA Accomplishments

- A more "scientific" approach employing a numerical ranking process for determining recommended SEA issues was developed and implemented for the FY '81 process.

- Efforts have been enhanced to insure that FY '81 issues for the SEA are more problem oriented; to insure that SEA issues and associated write-ups contain more specificity; to insure that the grant workplans for FY '81 are more responsive to the jointly negotiated SEA issues; and to insure that grant workplans are made a more integral part of the total SEA.

- A formal tracking mechanism for reviewing SEA progress has been developed and implemented. Studies are under way to review options for improving the tracking mechanisms.

- Direct participation by the Divisions in the process has been strengthened through several modifications in procedures and organizational responsibilities.

Problems Encountered

- Most interviewees felt the SEA process continues to present a major resource burden upon the Region with the benefits of the process, while tangible, still not equaling the cost. Too many issues in the SEA was the most frequent reason given for the high cost and marginal benefit.

- While there is agreement among most that issues should be more problem oriented and less programmatic, there is significant disagreement as to whether the issues should be solely environmental or a combination of environmental and management related.

- In the opinion of some interviewees, most media or organizational office units felt that for "survival" purposes each had to nominate and strongly push for inclusion of issues from their program area in the SEA in every State. They felt that top management might feel they were not being responsive or did not have any problems, even though the issue proposed might not be especially appropriate for the SEA.

- Several interviewees expressed the concern that the SEA process further "etches in concrete" Regional Office and State commitments, making it more difficult to respond to rapidly changing priorities and demands which frequently occur.

- Some interviewees felt that States continually try to use the SEA process to deliberately gain unnecessary and imprudent leverage with the Region, that they are not able to secure under the grants process, in order to get deservedly low priority items raised and unpopular high priority items lowered. The interviewees were concerned that frequent occurrences of such inversions would seriously undermine the salability and effectiveness of the process for the Region.

- Some interviewees felt the lack of synchronization among the SEA process and the internal Regional Office planning process could precipitate serious inconsistencies between Regional commitments to States in the SEA and those made to Headquarters in the Regional Operating Plan.

- Some interviewees felt there was no real incentive for States to negotiate SEAs lacking any financial incentive. Several indicated that without some type of "consolidated" grant legislation there was no flexibility to rechannel monies among the grant programs. Another indicated there is no opportunity to increase funding since the level of finding to each State (with the exception of one joint grant program) is not really discretionary. One interviewee felt that the Funding Simplification Act enacted in the early 1970's provided certain capabilities to consolidate and direct monies.

- Some interviewees found it very difficult to prioritize the issues of another Division or media because knowledge concerning the mandates, impacts, etc., of the other's issues was lacking or not well understood.

- Among the interviewees, differing opinions existed about whether the SEA process had reached its potential as a true negotiating process between the Region and the States. Some felt most States still view the SEA as just another procedural process they must address.

- Most interviewees felt that while public participation has improved since FY '80, public interest is still quite limited.

Improving the SEA Process

- Most interviewees suggested future SEAs encompass fewer issues per State and that specificity of the remaining issues be significantly enhanced. Some interviewees suggested that if an issue reflected a recognized program requirement which would be normally addressed in the grant workplan anyway, it should not be considered as an SEA issue. Some also suggested that SEA issues should be limited to ones requiring a multi-media response or involving interregional or interstate concerns.

- Some interviewees suggested that more consideration should be given to using SEAs as multi-year vehicles not in terms of a long-term strategy, but for requiring specific multi-year commitments for issue resolution.

- A few interviewees suggested that future annual operating guidance address a limited number of key issues which will require major multi-media efforts and coordination to resolve (i.e., toxics). However, others suggested the current format for the guidance be retained leaving the prioritization of multi-media efforts to the States and the Regions since they are in the best position to understand the need and potential coordination problems.

- A few interviewees suggested that future tracking mechanisms for SEAs should provide for resource accountability in addition to accomplishment accountability.

State Perspective -- Georgia

On the second day of the visit, the interview team was able to meet briefly with a representative from the Environmental Protection Division of the State of Georgia. The Georgia Agency is very supportive of the SEA process and feels it has significantly aided planning efforts between the Region and the State at the highest management levels. The representative from Georgia felt strongly that the SEA process will work only if it has the support of management from the top down because of different priority interests among some program managers within both the Regional Office and the State. In the opinion of the representative from Georgia, the number of issues presently contained in the agreements appears to be a manageable number and that national guidance should be as brief as possible. The State did not see any need for the extensive guidance the Region prepares for the State for certain program areas.

Staff of Region IV cautioned the interview team, prior to the meeting with Georgia, that the State agency would likely express stronger support for the SEA process than any of the other Region IV States. Staff indicated that some of the other States, particularly those that do not have a consolidated program type agency, would probably express an almost opposite viewpoint.

REGION V SEA TRIP REPORT

INTRODUCTION

On August 13, 1980, Bernie Steigerwald (OAQPS-RTP) and Dave Ziegler (OWPO) conducted an SEA Assessment in Region V. On August 14, the Headquarters' team, and Dave Stringham and Jim Fillippini of Region V, traveled to Lansing, Michigan to continue the assessment with the Environmental Protection Bureau, Michigan Department of Natural Resources.

Persons Contacted

The primary Region V contact was Mr. Dave Stringham, Region V SEA Coordinator and Assistant to the Regional Administrator. The assessment team conducted a series of interviews and group meetings with the following persons:

Mr. John McGuire, Regional Administrator
Mr. Devon Schnieder, Region V Analytic Center
Ms. Mary Canavan, Illinois SEA Coordinator
Mr. Wayne Pearson, Wisconsin SEA Coordinator
Ms. Connie Hinkle, Minnesota SEA Coordinator
Mr. Jim Fillippini, Michigan SEA Coordinator
Mr. Tony Leffin, Indiana SEA Coordinator
Mr. Bob Springer, Management Division
Mr. Mike MacMullen, Water Division
Ms. Mary Ryan, Air Division
Ms. Sandy Gardebring, Director, Enforcement Division
Mr. Tom Mateer, State Programs Branch, Air Division
Mr. Ed Watters, Water Quality Management Branch, Water Division
Ms. Marcis Carlson, Office of Intergovernmental and External Programs
Mr. Tom Jackson, Water Quality Management Branch, Water Division

Michigan

The contact in the State of Michigan was Ms. Gloria Hecht, Environmental Protection Bureau, Department of Natural Resources. Because of last-minute conflicts, other staff were unable to attend, but contributed to the assessment through previous discussions with her.

Regional Summary

The Region has made great progress in its approach to SEAs in FY '81 While the SEAs are still very detailed, they are evolving into policy oriented documents. Regional staff is committed to making the Agreements more useful management tools. Based on Region V's comments, Headquarters offices, particularly water programs, may wish to review their SEA guidance and regulations in terms of streamlining requirements.

FY '80 SEA

Status

The FY '80 SEAs for Region V were completed in October 1979, with the exception of Indiana and Ohio, which were completed in February 1980. The Agreements covered all OWWM programs.

Process and Organization

Region V used State Coordinators, operating out of the Regional Administrator's Office, to coordinate negotiation of the FY '80 Agreements. Three media task forces (air, water, hazardous materials) developed most of the content of the Agreements.

Procedures for Identifying Priorities

For FY '80, the media task forces met and developed lists of highlighted State issues in their areas. Then the Coordinators and program staff worked with the States, through meetings and one-on-one negotiations, to come to a consensus on the highlighted issues. Next, the States and Region agreed to problem-solving approaches for the highlighted issues. The FY '80 highlighted issues included a predominance of programmatic (as opposed to problem-solving) issues.

Management

The Region attached significance to the use of the term "highlighted issue" instead of "priority issue." Highlighted issues were those which were significant, had a good chance for resolution in FY '80, and could, therefore, demand some resources from EPA and the State.

The highlighted issues were not, however, priorities in the strict sense of the word, since certain ongoing efforts (e.g., monitoring, permits administration) would still absorb the bulk of the resources. The Hazardous Waste Management Program was a highlighted issue in every State in FY '80.

The State Coordinators were responsible for tracking the FY '80 Agreements and for bringing problems to the attention of appropriate program offices or the Regional Administrator. This part of the process stressed mid-year and end-of-year SEA progress assessment.

Region V's SEA development process evolved somewhat slowly at first, but significant resources and priority were assigned by the Region to the Agreements.

The SEA process served to focus Region V staff's attention on the unique features of Indiana's environmental institutional structure and to identify improved working arrangements.

Public Participation

Region V experienced difficulty with public participation in FY '80 because of a very tight schedule for review and comment. The consensus among staff was that public participation could be improved in the process, but that inventive ways to do so still had to be developed. Nevertheless, Ohio, Wisconsin and Illinois accomplished a significant improvement by consolidating Policy Advisory Committees (PAC) to advise the State during SEA development. For example, an Illinois consolidated PAC advised the State on all air, solid waste, and water issues.

General Regional Perspective

Since the Region did not prepare FY '79 Agreements, and since the FY '80 SEA process also experienced some schedule slippage, the general attitude of the Region was one of cautious optimism and a desire to see what changes were needed after the SEA process worked for a year. Although they encountered some problems, the Region did incorporate the SEAs into their management structure, committed experienced staff to their development, and finalized four of six FY '80 Agreements in October 1979. Region V included all media in its FY '80 Agreements.

FY '81 SEA

Status

The Region expects all Agreements to be signed by October 1, 1980. Several Agreements were in draft form during the assessment visit. All the involved program offices are covered in the Region V FY '81 Agreements -- OWWM programs, enforcement, air, noise and toxics. Air and hazardous materials have been a part of the Region V Agreements since FY '80.

Process and Organization

Regional Office

The process of SEA development for FY '81 is similar to the process for FY '80. There are State SEA Coordinators who coordinate and negotiate with support from three media task forces -- air, water and hazardous wastes. They negotiate State highlighted issues and problem-solving approaches which Region V incorporates into State specific guidance and the State then incorporates into its work programs. The process is essentially the same from State to State in the Region. The Region, for FY '81, placed considerable emphasis on developing media strategies for planning and SEA negotiating purposes.

States

In general, the States in Region V have to involve only one or two agencies in the SEA process so identification of lead agencies and responsible parties has not been a problem. Increased management attention at both the State and EPA levels has improved the overall process.

Procedures for Identifying Priorities in SEAs

The methodology for identifying priorities in FY '81 is similar to the one the Region used in FY '80. However, the media task forces have developed media strategies for the Region, prior to nominating their highlighted issues for each State. This step has helped priority setting, and holds promise for future years.

The Region issues State-specific guidance to each State prior to development of their various program work plans. The Region uses the EPA Operating Year Guidance in developing the State guidance, but notes that it would be more useful if it came out about two months earlier. Since they issue State-specific guidance in May, they must use the draft Operating Year Guidance for input. Management Division staff observed that some of the evaluation thrusts in the OWWM guidance were useful, but that some programs (e.g., drinking water) provided little guidance.

The States and Region V identify more programmatic highlights than environmental highlights, although the Region is moving toward an environmentally-based planning process based on problem assessments. The media strategies serve as the basis for implementing this approach and are reflected in any highlight issues -- programmatic or environmental.

Program Staff Participation

Staff from the various program offices participate in the media task force meetings and, thus, participate in the Agreements. Also, program staff helps to negotiate problem-solving approaches for highlighted issues which affect them. All major program areas (air, water, hazardous wastes) are involved.

Examples of Successes/Problems

Regional staff from the Water and Air Divisions said it has not been hard to agree on highlighted issues, but it has been difficult to agree with the States on exactly what should be done, in terms of timing, responsibility, and funding. SEAs probably go into more detail than is useful for high level managers. Regional staff also felt that the SEA should represent mutual understanding among key managers on items to focus on, which will result in environmental enhancement.

Staff also said the States feel the SEA is for EPA. The States do not see a mutual benefit in all cases, but feel that EPA could use the SEA as leverage against them. On the positive side, the SEA does elevate important issues to a high management level and, therefore, results in a better front-end direction for program grants. It also forces the Region and States to improve coordination of their internal priorities.

Management

The Region has accelerated the schedule for developing its FY '81 SEAs, so that the Agreements can drive the program grants, literally and figuratively. Thus, problem-solving approaches for highlighted issues were incorporated into work program development in the appropriate Air, Water or Hazardous Waste Offices. EPA expects all six SEAs for Region V to be signed by October 1, 1980.

The FY '80 Agreements do not always include many specific milestones. Where they are included, the SEA Coordinators are responsible for tracking them and reporting problems to the Regional Administrator or the appropriate program office.

For FY '81, the Region is making more use of problem assessments and multi-year strategies in guiding the Agreements. The media task forces develop long-term media strategies for the Region, based on problem assessment information. The Region then translates these strategies into State specific guidance and uses them in SEA negotiations. Regional EPA staff would like to see all the States prepare their own media strategies prior to negotiating the SEA with EPA.

There was a consensus among those interviewed that the Agreement should be a brief policy document, which guides, but does not duplicate, individual grant agreements. The major problem the SEA represented for the Region was the amount of staff time spent negotiating details.

Public Participation

For FY '81, the Region has organized its public participation efforts along constituency lines. That is, the Region has targeted information to certain interest groups and individuals. Staff felt, however, that the Region had not done a complete job of explaining to the public how the SEAs work and has, perhaps, raised expectations too much. There is a concern that the public will perceive the SEA negotiations as a "fait accompli". Staff said the Region must be serious about its commitment to inform and involve the public. As the SEA becomes more of a policy-level document for high-level management, the Region will have to consider adapting its public participation techniques accordingly.

General Regional Perspective

The Region believes that Headquarters managers are committed to the SEA process. The Region shares this commitment. However, staff said, in effect, that some Headquarters SEA policies are not practical in the real world of SEA negotiation.

As previously mentioned, the Region is experimenting with an environmentally-based planning process. This process, in which long-range planning spins off comprehensive problem assesments and results in media strategies, is similar to the process used in Region X. Integration occurs when the problem assessments surface cross-cutting or inter-media problems, or as a result of staff meeting with the Regional Administrator.

The Regional Administrator said that the media task forces enhance integration between and within individual media.

The SEA aids management in Region V by acting as a decision document on key issues of concern to both EPA and the State. However, the Region is concerned that the Agreements often get bogged down in detail, and involve too much lower-level staff time. The Region does not want to use the Agreements to replace or duplicate grant processes, but rather to generate consensus on approaches to key environmental problems prior to developing grant agreements.

To increase the utility of the SEA, the Region suggested that Headquarters study the guidance and regulations to make sure they do not imply that the SEA should be a highly complex, sophisticated document. The Region feels that the SEAs should be coherent policy documents, developed by April of each year, followed by grant work plan development. Staff emphasized that negotiations on the Agreements should be conducted at a top management level, preferably Division Director and above.

General Comments on FY '81 Experience -- Review Team

The Region has made some major adjustments in the FY '81 SEAs. They have based their development of the SEAs on media strategies and have initiated the SEA process earlier in the fiscal year. This has impacted the general direction of grant work plans and internal EPA work plans for FY '81. The media task forces provide a strong and valuable input in identifying issue priorities to be considered in developing SEAs.

The SEAs in Region V involve an undesirable level of detail. The Region and States agree easily on issues and priorities, but get bogged down in intense negotiations at the staff level that duplicates the grants process.

The assessment team questions whether more agencies at the State and sub-State levels should be involved in the SEA process, e.g., health agencies, areawide planning agencies and regional and local air planning agencies.

State of Michigan

The State of Michigan has supported the SEA process. They feel it is needed, especially in the water programs. However, the State is not happy with the way the process has worked, and is not sure EPA Headquarters knows what it wants from the Agreements. The Agreement, in their opinion, should not try to do too much.

The level of detail is a problem in the development of the Agreement for the State of Michigan. It feels the SEA should be a policy document. Michigan would prefer to keep negotiations at the Division Director level, and feels face-to-face negotiations are helpful.

The State noted that the WQM regulations require areawide agencies (CWA, section 208) to be involved in the SEA process and say the SEA can serve as a part IV grant application narrative. These two WQM policies lead to excessive detail.

The State said that the issue list developed by the Region also leads to too much detail. The list includes many simple program requirements that do not require top management involvement. In addition, the State said it was difficult to negotiate with EPA as equals since EPA has the authority to withhold grants.

With respect to public participation, the State said the public can relate to general priorities, but not to detailed program jargon. The public participation meetings are awkward.

The key to a successful Agreement, in the State's opinion, is hitting the right level of detail by pulling the right people together. The State does not feel that milestones or target dates should be required, since they tend to duplicate grant program milestones. If milestones are appropriate for policy considerations, they should be included.

The State develops priorities through the use of five-year strategies for all programs, especially the water quality, hazardous waste, solid waste program complex. The State tries to cost out its strategies, then goes through informal rankings by Division Chiefs. This year, the highest priorities were hazardous waste, ground water, and solid waste.

There was discussion about whether the provision of out-year guidance, and the negotiation of multi-year approaches in the SEA process would be useful. The State's attitude was to leave out-year decisions to the discretion of those involved in the Agreements, not to make them mandatory.

REGION VI SEA TRIP REPORT

INTRODUCTION

On July 15-16, 1980, Headquarters staff conducted a State-EPA Agreement assessment in Region VI. The participants from Headquarters were Dave Ziegler (Water Planning Division, OWPO) and Bob Linett (Office of Analysis and Evaluation, OWRS).

Persons Contacted

The primary Region VI contact was Ray Lozano, Region VI SEA Coordinator. The assessment team conducted group meetings with each of the State teams working on the Agreements. The team leaders are:

Mr. Al Davis, Director, Air/Hazardous Waste Division, Arkansas
Mr. Myron Knudson, Director, Water Division, Louisiana
Mr. Ray Lozano, SEA Coordinator, New Mexico
Mr. Oscar Ramirez, Chief, Surveillance Branch, Oklahoma
Ms. Diana Dutton, Director, Enforcement Division, Texas

The assessment team also held an exit interview with Mrs. Harrison, the Regional Administrator, Fran Phillips, the Deputy Regional Administrator, and Ray Lozano.

Regional Summary

The Region has made some adjustments in its approach to SEAs in FY '81. The SEA is evolving into a more effective management tool each year. The Region feels, however, that the Agreements must be more than work program summaries to be useful, and that Headquarters needs to provide clear, simple guidance and give the Region a certain degree of flexibility to negotiate. Staff said, in general, that simple Agreements are preferable, with detailed discussions reserved for individual work plans.

FY '80 SEA

Status

All the FY '80 SEAs for Region VI were completed in October, 1979, with the exception of the Oklahoma agreement, which the Region and State finalized on December 14, 1979. The delay in finalizing the Oklahoma agreement was partially attributable to late HQ guidance regarding 208 grant eligibilities which delayed negotiations. The Agreements covered all OWWM programs.

Process and Organization

Region VI used interdisciplinary State teams to negotiate the FY '80 Agreements. Each team was headed by a Division Director and included members from all the covered programs. There were some problems negotiating Agreements in FY '80 in Region VI as both State and Regional personnel learned the process, but in most cases cooperation was excellent.

Procedures for Identifying Priorities

The State teams, acting as panels of EPA experts, met and developed mutually acceptable lists of State-EPA priorities. Simultaneously, the States developed analogous lists. The States and EPA then met, compared lists, and negotiated changes. One problem Regional staff mentioned was that the States were developing State strategies, SEAs, and work programs all at the same time. The FY '80 priorities included predominantly programmatic (as opposed to problem-solving) issues.

Management

The relationship between the State-EPA Agreement and various program work plans (106, 208, etc.) was an issue in FY '80 in Region VI, and the Region handled it differently from State to State. In some States, the Agreements focused on traditional high-priority operating programs; in some States they focused on the State's highest priorities regardless of whether they were traditional priorities; and in some States the Agreements covered only priorities which involved integration. In general, the Agreements in Region VI supplemented, but did not replace the separate work plans. The Region's approach to tracking was to include milestones in the Agreements, require quarterly reports on their status, and conduct semi-annual review visits.

Coordination with State executive branches was an issue in several States which had complex institutional set-ups and lacked a strong lead person to pull things together. The assessment team expressed the view that a stronger role for State five-year strategies would settle questions on priorities earlier, and expedite preparation of Agreements and work programs.

In general, the Region managed the FY '80 Agreements well. They assigned significant resources and priority to the Agreements and the RA informed the team leaders of her personal interest in their success. The Region's major accomplishments were in the areas of internal organization, commitment, and public participation. The RA made the Agreements very visible in the Region.

Public Participation

In FY '80 the Region hired a public participation consultant who helped design and manage the SEA public involvement effort. The Region

also established an SEA Advisory Committee of 61 persons with previous participatory/advisory experience in the Region. The Committee provided EPA with an independent assessment of priorities and with comments on EPA's strategies and commitments. Each State was responsible for its own public participation, with Regional assistance where available. Arkansas received over 200 responses to a questionnaire it sent out to identify priority environmental problems.

General Regional Perspectives

The major issue bothering the Region in the FY '80 Agreements was the need for financial management and funding flexibility. The RA expressed a need for more precise guidance on financial management procedures. The comments Regional Staff made were that the SEA guidance should be less WQM-oriented, that HQ should circulate examples of good SEAs and interesting formats, and that guidance on Indian/EPA Agreements would be useful. The RA also said that she expected a great range in the quality of the Region VI Agreements considering the varying capability of the States in the Region, the lack of incentive for them to cooperate and resistance to additional Federal paperwork.

FY '81 SEA

Status

The Region expects all Agreements to be signed no later than October 1, 1980. The Agreements were either in early draft, or near completion at the time of the visit. All the involved offices' programs are covered in the Region VI FY '81 Agreements -- OWWM Programs, Enforcement, Air, Noise, Toxic Substances and Radiation.

Process and Organization

Regional Office

The process of SEA development for FY '81 is the same as in FY '80. There is an inter-disciplinary State team for each SEA, led by a Division Director. They follow an 11-step process very similar to the process identified in the FY '80 report. There was broader program staff involvement in FY '81 SEAs. Minor differences in the process occur from State to State.

States

Oklahoma's negotiations are going very smoothly thanks to the addition of a Governor's Aide to their negotiating team. This has been a tremendous help in unifying the State responsibilities.

In Louisiana the reorganization of State Agencies responsible for environmental programs has also been of great help.

Procedures for Identifying SEA Priorities

Methodology

The methodology for identifying priorities in FY '81 is very similar to the one the Region used in FY '80. However, the Regional Administrator, Deputy Regional Administrator and Division Directors are even more involved than they were in FY '80 through a series of high-level meetings between the RA and State Team leaders. The RA has placed significant emphasis on this process. This has helped priority-setting. In addition, there was broader program staff involvement in the FY '81 SEAs.

Consistency with National Guidance

The State teams reported that they started with the FY '81 Operating Year Guidance in defining their priorities. Therefore, the priorities -- although they show State and Regional differences -- track the national priorities. There was consensus that the FY '81 guidance was much improved over past years.

Ratio of Programmatic v. Problem-Solving Issues

The States and Regions identified many more programmatic issues than problem-solving issues. One explanation is that problem-specific issues can cause problems for the Region justifying future resources needs via ZBB manpower models. It did appear, however, that the Region was moving in a direction of more problem-solving issues, from the perspective of "managing for environmental results." They are begining to use problem assessments, such as 305 (b), more in priority setting.

Examples of Successes and Problems

Two States identified pesticide container disposal plans as highlights for the SEA. This intermedia issue would not have received such great attention outside of the SEA context.

An encouraging development in the Region is the effort between Oklahoma and Arkansas to establish mutually agreeable interstate priorities to deal with point source problems, water quality standards and forestry pollution.

At the time of the assessment the Texas Air Control Board had declined to participate in the SEA. Negotiations to resolve this problem are continuing.

Management

Sea Priorities in Grants/Work Programs

In Region VI, the grant applications and work programs are generally developed concurrently with the SEA. The grant requirements are, in most cases, Regional policy decisions which follow national policy and are also reflected in SEA issues.

In two States (Oklahoma and Louisiana), however, the State-EPA Agreement is "out in front" and is driving the preparation of the covered programs' work plans. The Oklahoma team thought this was a preferable arrangement, since it gives more meaning to the SEA negotiation.

Tracking Arrangements/Meeting Commitments

Generally, each program area (water, air, enforcement, etc.) is responsible for tracking the SEA commitments which pertain to it as a normal function of tracking work programs, and for reporting to the Division Director/Team Leader for their State. The team leaders take corrective action on an "exceptions" basis, involving other Divisions and the RA/DRA as necessary.

Reducing Paperwork

The Region VI staff said that the SEA did not, and never would, reduce paperwork compared to the amount of paperwork that existed prior to the SEA in FY '79. However, they did say the process was producing less paper in FY '81 than in FY '80, as the staff gained experience. Several suggested that HQ not advertise the SEAs as a means of reducing paperwork, since it raises false expectations.

Coordination with States

As mentioned above, coordination with the executive branch in Oklahoma is a major improvement.

Environmental Assessments and Multi-Year Strategies

One Region VI staffer described the role of these documents as "subliminal." That is, staff is aware of what they say but doesn't use them directly in preparing for SEA negotiations. One interesting development is that Region VI is now gearing up to develop environmental indices -- similar to the Region IV and X Environmental Profile models -- which will help with SEA negotiations in the future.

SEAs, State Budget Cycles and the ZBB

State budget cycles which differ from EPA's continue to cause trouble for the Region.

SEA Commitments

EPA HQ

The Region pointed out the HQ's commitment to the process could stand

improvement. In particular, the Region pointed out that the Agency guidance prescribed inclusion of hundreds of program priorities, which was clearly impossible. Similarly, it was pointed out that the guidance did not address what EPA commitments in the SEAs would, or should, look like.

EPA Regional Offices

The Region feels that it is strongly limited in its ability to make SEA commitments by PPAs developed at HQ for ZBB tracking purposes. The FY '81 SEAs will contain a significant number of EPA commitments to the States.

States

Some Regional staff believe that State commitments under the process are not much different that they would be under the "traditional" grants process.

Examples of Successes and Problems

The Oklahoma situation appears to be an example of a successful management change from last year. No particular management problems were apparent.

Public Participation

Procedures

The Region encourages the use of types of public participation other than meetings and hearings. The Region has dropped the Regional public consultant and the 61-member advisory committee and delegated public participation to the States. Arkansas in FY '81 used a telephone survey instead of a questionnaire, with assistance from the University of Arkansas, and the results were extremely successful (funded with $15K of Federal grant dollars; $5K each from RCRA(D), 106,and 105 . The timing of public participation did not change significantly in FY '81. The Region has established a Public Participation Coordinator to work with the States on SEAs.

Contribution of Public Involvement to SEA Process

Using the Arkansas telephone survey as an example, the Region is genuinely interested in involving citizens in the Agreements. However, a common reservation expressed by the staff is that public involvement tends to be unfocused. Particular individuals or groups air grudges or make proposals which are not necessarily relevant to State environmental priority questions. Nevertheless, the Region continues to involve the public and elected officials.

Examples of Successes and Problems

The Arkansas telephone survey, in which university graduate students conducted in-depth interviews with over 600 persons on their perceptions of environmental programs and priorities is an example of a successful public participation effort.

General Regional Perspective

EPA Administrator and AA Commitments to SEA Process

The region questioned the commitment of highest EPA management to the SEA process on the following points:

- The Operating Year Guidance for FY '81 obviously has more priorities in it than any one Region and State could accomplish in a year. Yet it provides no out-year guidance.
- There is no sense of inter-media priorities in the Guidance
- AA's seem to support the process as long as their priorities are mentioned and their programs not threatened.

HQ Performance in Promoting Integration and Problem-Solving

Regional staff said that shifts of resources among program areas to respond to integration or problem-solving thrusts often backfired during the ZBB process. The ZBB manpower models tend to penalize shifts and provide a disincentive, for integration. Thus, if HQ is serious about integration, it must remove this disincentive.

Ability of SEA to Address Problem-Specific Issues

(See comment immediately above.) There does appear to be a gradual trend in Region VI toward problem-specific issues in State-EPA Agreements. The Region is beginning to use environmental index figures, for example, based on the Region IV and X pilots, to identify problems and priorities.

SEA Utility

Management Tool

The SEA aids management in that it helps focus on priorities. For example, in New Mexico the improved management of water quality enforcement received a great deal of State and Regional attention in the SEA process. In some States, it is essentially a summary of highlights from the various covered programs. In other States, however, the Agreement actually drives work plan development in the covered programs.

Communication Tool

Some Region VI staff have not seen much utility in the SEA as a communications tool. However, the SEA process is a boon to inter-program communication on both the State and Regional level.

Steps to Increase Utility of SEA

To the Region

Region VI staff said that simpler Agreements are better. They would prefer to place detail in individual grant work plans. Also, the Region would like more flexibility to shift resources to respond to environmental problems peculiar to their States.

To The State

State staff were not interviewed. In general, the same comments would apply as above.

Utility of FY '81 SEA Handbook

Although the response was not overly enthusiastic, several of the staff thought that the Handbook was useful. It was said that the Handbook was used as training material for new employees. They did not appear to have used the "info transfer" aspect of the Handbook.

Suggestions for FY '82 SEA Guidance

Briefly, keep it simple. Also, the provision of more out-year guidance and a sense of inter-media priorities would be helpful.

Assessment Team Perceptions

The Region has made some minor, but effective, adjustments in FY '81. The SEA is definitely evolving into a more effective tool each year. Staff felt, however, that the Agreement must be something more than a summary of covered work programs and that HQ needs to provide clear, simple guidance and a certain amount of flexibility.

REGION VII SEA TRIP REPORT

INTRODUCTION

On July 15-16, 1980, the Second Annual State-EPA Agreement Assessment was conducted in Region VII. This report was prepared by Tim Icke (Office of Water Programs Operations, OWWM) and Gerald Emison (Office of Planning and Evaluation, OPM).

Persons Contacted

Regional Office

Mr. William Rice, Deputy Regional Administrator
Mr. Don Christenson, Director, Office of External Affairs
Mr. Paul Walker, Director, Survey and Analysis Division
Ms. Louise Jacobs, Director, Office of Enforcement
Mr. Allan Abramson, Director, Water Division
Mr. Gene Ramsey, Office of External Affairs
Mr. Dan Vallero, Office of External Affairs
Mr. Carl Walter, Chief, Permits Branch
Ms. Rowena Michaels, Chief, Public Involvement Branch
Ms. Patricia Kraft, Hazardous Materials Branch
Ms. Eloise Reed, Air Support Branch
Mr. Tom Buechler, Chief, Solid Waste Management Section

State of Missouri

Ms. Linda James, Missouri Department of Natural Resources
Mr. Ed Lightfoot, Missouri Department of Natural Resources

Regional Summary

The FY '80 State-EPA Agreements (SEAs) signed in October 1980, clearly represent the key mechanisms that the Region and States utilize for managing their environmental programs. The strong support and involvement that top-level management has shown in the past is continuing in the development of the FY '81 SEAs. The development of FY '81 State-EPA Agreements is progressing quite smoothly. The Region is nearly two months ahead of schedule as compared to last year, and if negotiations continue as anticipated, the Region expects to have draft SEAs completed in early August and final Agreements signed by mid- to late-September.

Region VII is now in its third year of developing State-EPA Agreements. Perhaps the two most significant improvements gained during the FY '80 experience were: (1) development of tracking procedures for measuring progress in achieving SEA commitments, and (2) identification of more specific types of commitments to be included in the Agreements.

The SEA staff within the Office of External Affairs is responsible for coordinating the SEA process in Region VII. The Regional Office program staffs and their State counterparts are responsible for drafting the content of the SEAs and multi-year strategies. The draft agreements are reviewed and approved by the State-EPA Policy Review Committee which is chaired by the Deputy Regional Administrator and includes the SEA staff, Division Directors, Director of the Office of External Affairs and the Regional Counsel. The program staffs then negotiate with the States on the final content of the Agreements. If there are any unresolved problems, the Policy Review Committee works out solutions with the States.

The process for negotiating the FY '81 State-EPA Agreements, as outlined in the Regional SEA guidance issued to the States in February 1980, (see attached) represents a significant step toward further refinement of the SEA process. The Region's guidance outlines four major areas of emphasis. They include: (1) providing a substantive role for the public early in the process; (2) requiring that each priority issue contain a separate strategy discussion outlining a long-range (3-5 years) approach for continued action; (3) integrating the SEA priority issues with all other ongoing grant activities; and (4) further refinement of the tracking function in order to provide data both on priority issue commitments, as well as all other grant-related program outputs.

The remainder of this report will focus primarily on the progress the Region and States have made toward achieving these goals, and secondly will highlight information on successes, problems and recommendations gained during this assessment.

Summary of the FY 1980 Process

The FY 1980 State-EPA Agreements cover a broad range of priority issues and problems, and reflect the Regional Policy that all grant programs be covered under the process. Although the Regional Administrator continued to push for greater emphasis on problem-solving priorities, many of the issues addressed in the FY ;980 SEAs were specific program-related priorities -- e.g., hazardous waste program development, 205(g) delegation and NPDES permits, etc.

The process for selecting the FY '80 priorities relied largely on joint negotiation. At the Regional level, suggested lists of priority issues were developed through media and State task forces. These lists were then presented to the Policy Review Committee (consisting of Division Directors, DRA and Enforcement staff) who met with each of the States to develop a final, mutually agreeable, set of priority issues. Once the priorities were established the Office of External Affairs staff, with assistance from the involved program offices in the Region and States, negotiated commitments necessary to carry out each priority issue. All other non-priority related program activities were negotiated separately by the individual program offices and incorporated by reference in each Agreement.

Procedures for tracking the SEA commitments are fairly advanced and well established in the Region. On a quarterly basis, staff in the Office of External Affairs distribute, within the Regional Office and each State, a summary list of all commitments identified in a given SEA. The responsible parties respond in writing on the status of any commitments due within a given quarter, and also on the status of progress as it relates to future commitments. This information is then gathered and used to prepare exception reports identifying all unfulfilled commitments. Information contained within these exception reports becomes the basis for conducting formal mid-year and end-of-year reviews with each State. If amendments to an SEA are justified, they are presented to the RA for review in writing. In FY 1982, efforts will be made to computerize the tracking system in order to reduce the time required to prepare status and exception reports. In addition, the Region recommends that in FY 1982, EPA Headquarters clarify the link between Planned Program Accomplishments (PPAs) and SEA commitments.

FY 1981 State-EPA Agreements

Negotiation Process

As previously stated, the process for developing the FY 1981 State-EPA Agreements is detailed within guidance issued to the States by the Office of External Affairs in February 1980. This guidance divides the negotiation and development process into three phases: Phase I -- Problem Identification and Strategy Development; Phase II -- Commitment Development and Finalization of Agreements; and Phase III -- SEA Tracking and Evaluation.

A brief description of each phase is as follows:

Phase I -- Problem Identification and Strategy Development

- Staff from the Office of External Affairs work with the various programs on developing suggested lists of priority issues for each State. (The rationale for selecting priority issues is based on staff knowledge of problems/issues, environmental profile data, 305(b) reports, National/Regional guidance and other written materials.)

- Simultaneously the States also draft initial lists of priorities.

- Regional and State priority lists are exchanged.

- Draft strategies (3-5 year timeframe) are prepared for each priority issue through negotiations among staff at the Regional and State level.

- Draft priorities and strategies are presented to the public for review and comment. (See discussion under public participation section for further details.)

- Formal meetings are scheduled between Policy Review Committee (membership includes the Deputy Regional Administrator, Regional Division Directors, External Affairs Director and Regional Counsel) and State staff (usually State Agency Director(s) and other appropriate staff).

- Final Agreement is reached on the priorities and strategies to be addressed in each SEA.

Phase II -- Commitment Development and Finalization of Agreements

- Regional and State program staff jointly negotiate priority issue commitments, as well as all other remaining ongoing program commitments.

- Follow-up meetings are held between State staff and the Policy Review Committee to agree on all commitments. (Any issues not resolved are submitted to the Regional Administrator and State Director(s) for resolution.

- Draft Agreements are finalized and distributed for public review and comment.

- Agreements are finalized and signed.

Phase III -- Tracking and Evaluation

- SEA commitments are circulated for review each quarter.

- Exception reports are prepared on all unfulfilled commitments.

- Formal mid- and end-of-year meetings are held (Division Directors and counterparts) to discuss progress/problems. Informal quarterly meetings are scheduled as needed.

The negotiation process for developing priority issues and commitments in FY 1981 differs from that used in the FY 1980 process in two ways. First, a conscious choice was made to eliminate the Regional media and State task forces organized last year for the purpose of generating draft lists of priorities for each State. Because of the excessive time required to develop these lists, the decision was made to eliminate this organizational loop and rely on External Affairs staff to work directly with the individual program offices. The Region feels that this decision was a correct one and accomplished similar results in far less time.

The second major modification in development of the FY 1981 Agreements is greater staff level involvement during the negotiation of commitments. The process as it was structured last year did not allow for adequate staff involvement in Phase II -- Commitment Development and Finalization of Agreements. While this approach appears to have been well accepted at the staff

level, we did note some continued concern over a perceived breakdown in communication once initial staff input was sought. For example, once program level staff had negotiated tentative commitments with their counterparts in the States, the Policy Review Committee would review and frequently revise, delete or add to commitments without proper feedback. To correct this problem, the Office of External Affairs has encouraged the program Branch Chiefs to serve as the conduit for transferring information back to their respective staffs.

State-EPA Agreements and Grants Management

Another major thrust in negotiating the FY 1981 Agreements has been the effort to merge the Region's grant process with the SEA process. In theory, this approach was in use during FY 1980; however, in practice the grant agreements (work programs) remained largely a separate component tied to the Agreements by reference only. This year the format and structure of the process was modified to allow for integration of the SEA priorities with all other ongoing grant activities.

To accept this interface, the commitments for both the priority issues and grant work programs are being negotiated at the same time, and all commitments are listed on media-specific summary sheets for tracking purposes. (See example in attached Regional Guidance.) In addition, commitments specific to a given SEA priority are listed separately along with the required background statements and strategy discussions.

Through the use of this new SEA format, the Region expects tracking efforts to be more streamlined and of greater utility. Under the current tracking system, only the commitments specific to each priority issue are easily tracked. All other grant-related commitments must be tracked via constant cross-reference to the attached work programs. The revised format should eliminate much of this problem and simplify the tracking burden.

Another improvement expected in the area of SEA/grants interface includes a proposal to restructure the Office of External Affairs to include staff from the program grants arm of the Region's Management Division. If approved, this organizational change should greatly facilitate the Region's measurement and evaluation of progress on parallel grant programs and SEA priority issues. In addition, efforts will be made this year to computerize the tracking system in order to reduce the time required to prepare status and exception reports.

Coordination/Integration

As was the case last year, most of those interviewed believe that the single greatest benefit brought about by the SEA process is the increase in program coordination. Because of the face-to-face communication associated with the negotiation process, both inter- and intra-program coordination has increased significantly. This opinion was strongly expressed both by senior management and staff within the Regional Office and by those interviewed from the State of Missouri.

On the other hand, significant gains in achieving true "program integration," with respect to solving environmental problems, may not be occurring as rapidly as once hoped. Clearly the Regional Administrator continues to believe that the SEA process can be most effective in this type of problem-solving capacity. However, it appears that the vast majority of priority issues will remain program-related in the FY 1981 Agreements. Most of the regional personnel interviewed believe this trend is continuing because of the restrictions placed on grant monies by Congressional mandates, program regulations and the Agency's Operating Year Guidance. To correct this problem, it is felt that Headquarters must continue to push strongly for some form of funding flexibility within grant programs.

Public Participation

The process for negotiating the FY 1981 SEAs incorporates a much stronger role for involving the public in the overall process. In developing the FY 1981 Agreements, the Region and States have been more successful in incorporating meaningful public involvement in the priority setting phase. By issuing small grants to the States for public participation, three of the four States have been able to distribute information on the process through the League of Women Voters, obtain public comments early in the process (during and after priority issue selection), and schedule public hearings on completed draft Agreements.

Response from the public, thus far, has been encouraging. Both the Region and States feel that the public involvement process this year has had significant influence on the types of priorities and commitments addressed in the Agreements. Nebraska, the only State that did not have League participation, established a similar public involvement process using State staff and advisory groups.

REGION VII

STATE/EPA AGREEMENT PROCESS FOR FY-81

Phase I: Long-Term Problem Identification and Strategy Development

Summary

The State/EPA Agreements staff will provide the initiative and primary staff support to develop drafts of the 5-year environmental problems in each state and coordinate the development of strategies to address the problems. The regional office program staff will prepare the initial drafts of the 5-year strategies. The drafts will be reviewed by the S/EPA Policy Committee, who will conduct face-to-face negotiations with the states on the problems and strategies. The S/EPA Policy Committee is chaired by the Deputy Regional Administrator and includes the five Regional Office staff, Division Directors, Director of External Affairs and Regional Counsel.

Activity

1. Problem Identification -

*Procedures for negotiating the FY-81 State/EPA Agreements will be developed by the State/EPA Agreements Staff and finalized by the S/EPA Policy Committee. The procedures will be presented and discussed with each State by the S/EPA Staff.

*The S/EPA staff will develop a draft that identifies and prioritizes the 5-year problems by searching out, analyzing, and summarizing information from all possible, appropriate sources, including:

State environmental agencies
  Interview state personnel in their offices
Public inputs
  Get views from League of Women Voters in three states
EPA-7 programs
  Meet with director and branch chiefs
  Interview each branch chief
  Discuss with any other program personnel
Environmental Profile data
  Use preliminary data to confirm present problems, provide details
Review any Headquarters guidance, other written materials

*The S/EPA staff will produce a focused and definitive 1-page statement on each problem with a goal or goals to be achieved and develop a tentative prioritization of the issues.

*The S/EPA Policy Committee will review and revise the problem statements. The problem statements will be sent to each state for review. If there is not substantial agreement, a face-to-face meeting will be scheduled to negotiate the problems.

2. Develop FY-81 SEA Guidance -

*The S/EPA staff will prepare a brief (15-page maximum) guidance document for use by the states. The guidance will provide region office views of program priorities for use in developing the agreement. A draft of the thrusts and priorities of the guidance will be reviewed by the S/EPA Policy Committee.

3. Strategy Development -

*The Regional Office program staff will develop a draft of the 5-year strategy for each problem in each state (approximately 40 strategies) by:

Telephone discussions with state agency personnel (although much of the strategy information can be gathered during the state visit on environmental problems).

Discussions within each EPA-7 program division between the director, branch chiefs, and Regional Office staff

*Copies of the drafts will be sent to the State/EPA Agreements staff for analysis and review, then the S/EPA Policy Committee will meet to review and revise.

*Public input on problems and strategies will be reviewed and incorporated.

4. *Prepare list of on-going state commitments -

Simultaneously with the drafting of the strategies each EPA-7 program director and branch chiefs will prepare a list of commitments for each state for FY-81. The commitments from each program will be reviewed by the S/EPA Policy Committee in terms of total demands being made and trade-off questions. After revision, the S/EPA staff will include the commitments in the set of materials to be sent to each state.

5. Develop Content of SEA -

*The following will be sent to each state, preparatory to a required 1-day negotiating session between the state and the S/EPA Policy Committee to finalize the 5-year problems and strategy statements.

Information for FY-81
- Final Environmental Problems list
- Draft of 5-year environmental strategies
- Target funds available for FY-81
- Draft list of ongoing state program commitments

6. *Finalization of problems and strategies -

Face-to-face negotiations of S/EPA Policy Committee with each state
Resolution of any remaining issues by the State Director and the Regional Administrator
Copies of the 5-year problems and strategies will be sent to the League of Women Voters in three states for broad-based information dissemination for comments.

Phase II: Commitment Development and Finalization of Agreement

Summary

Specific commitments by the State and EPA-7 to address each priority problem in FY-81 will be developed, along with the remaining commitments by the state to perform expected ongoing activities as a part of its grant. Initial drafts of all the commitments will be developed jointly by state and Regional Office program staffs, Branch Chiefs, and Division Directors. This joint draft of the commitments will be reviewed by the Policy Review Committee and then face-to-face negotiations will be conducted with each state to agree upon the commitments.

Activity

7. Draft Commitments -

*EPA-7 and the state will jointly prepare a draft of the commitments it will make to each priority problem in FY-81 and the commitments it is asking for from the other. In addition, the remaining ongoing program commitments for each state will be identified and negotiated. The commitments will include:

Brief description of the activity, stated in terms of products or outcomes that are observable or measurable
Dates for each activity
Federal and state resources, in terms of workyears and dollars.

*Within EPA-7, the draft of the commitments will be developed jointly with the states, Division Directors, and Branch Chiefs, and coordinated by the S/EPA staff with review by the S/EPA Policy Committee.

*EPA-7 will provide to the state, at the time Phase I negotiations are conducted, a draft list of the ongoing program commitments (for example, - number of inspections of majors municipal NPDES) for each program. The state will propose appropriate outputs, dates, and resources for each activity. These will comprise the on-going program commitments for the agreement and grant.

8. Negotiation meeting on commitments -

*The S/EPA Policy Committee and the states will conduct face-to-face negotiations to agree upon all commitments. The Directors will all meet on the same day in individual sessions with their counterparts, joining together when necessary to address commitments cutting across more then one Division.

*Any issues not resolved will be referred to the State Director and the Regional Administrator.

9. Prepare Final Draft -

*The final draft of the S/EPA Agreement will be prepared by the S/EPA Staff. The agreement, which will run about 70 pages, will include:

Executive Summary (5 pages)
Introduction (3 pages)

Priority Problems (10 @ 4 = 40 pages)
3-5 Year problems and goals (1 page)
3-5 Year strategy (1 page)
FY-81 priority problem commitments for state and EPA (2 pages)
FY-81 Program Summary (5 pages)
List of All State Commitments (8 pages)
(Including priority problem commitments shown with asterisks)
List of Other Agreements and Documents Incorporated by Reference (1 page)

*The draft will be reviewed for accuracy by the state, prior to public participation.

10. Public Participation -

*Drafts of the Agreements will be sent to the League of Women Voters in three states. The State League will conduct public participation activities by:

Widely distributing copies and information, collecting comments, and conducting public meetings. The results will be sent to both EPA-7 and the state.

*The S/EPA staff will confer with the state on whether revisions need to be made. If so, changes will be negotiated by the EPA-7 Director involved and the state counterpart.

11. Finalization and Signing of Agreement -

*The State Director and Regional Administrator will review the final revised draft and sign.

*The consolidated grant is awarded.

*The agreements are distributed and publicized.

Phase III: Tracking and Evaluation

Summary

The States and Region 7 Divisions will submit written status reports to EXTR/SEPA at the end of each quarter. Utilizing this information, EXTR/SEPA will prepare an exception report of all unfulfilled commitments for review by the S/EPA Policy Committee. Formal on-site meetings of Division Directors and their State counterparts will be held at mid-year and the end of the year. Other quarterly meetings to discuss specific problems will be held as necessary.

Activity

12. Each quarter written reports on the status of the completion of each priority problem commitment and operating program commitment will be submitted to EXTR/SEPA by EPA-7 Division Directors and State Directors.

13. The S/EPA staff will prepare an "Exception Report" listing those priority problem commitments and operating program commitments not fully completed.

14. The S/EPA Policy Committee will meet quarterly to review unaccomplished commitments for that quarter.

15. EPA and State Directors will meet at the end of the second and fourth quarters to evaluate the completion of priority problem commitments and operating program commitments.

Timetable for FY-81 State/EPA Agreements

Phase I

1.	Develop draft of 5-year problems	1/28 - 2/29
	Review by S/EPA Policy Committee	3/3 - 3/11
	Review by state and meetings with states, if necessary	3/12 - 3/21
2.	FY-81 Guidance	
	Develop and issue	3/3
3.	Develop draft of 5-year strategies	3/3 - 3/31
	Review by S/EPA Policy Committe	4/1 - 4/11
	Send to states for their review	4/7 - 4/18
4.	Develop list of ongoing commitments for FY-81	2/25 - 4/4
	Program drafts	2/25 - 3/21
	Review by S/EPA Policy Committee	3/24 - 4/4
5.	Develop guidance for states	2/18 - 3/28
	Finalize procedures for FY-81 negotiations and distribute	1/14 - 2/1
	Develop SEA Content	2/25 - 3/21
	Review by S/EPA Policy Committee	3/24 - 4/4
	Issue SEA Content Package	4/7 - 4/11
6.	Negotiate with each state	4/21 - 5/2
	Finalize by State Director and R.A.	5/5 - 5/9
	To League of Women Voters	5/2

Phase II

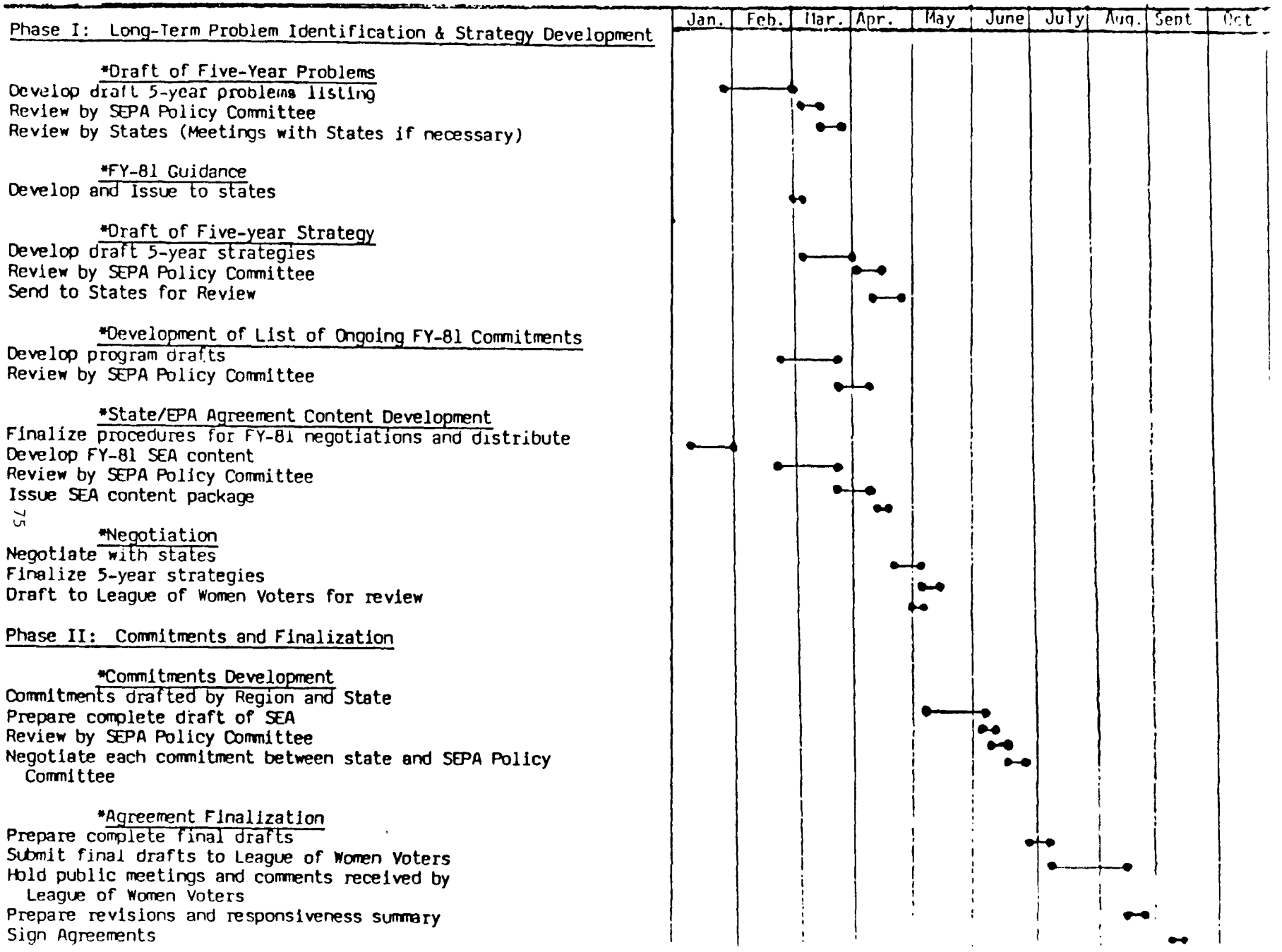
7.	Develop draft of commitments	5/5 - 6/9
	EPA-7 and state programs prepare drafts	5/5 - 6/6
	Prepare complete draft of SEA	6/2 - 6/6
	Review by S/EPA Policy Committee	6/9 - 6/13
8.	S/EPA Policy Committee negotiate commitments with each state	6/16 - 6/27
9.	Prepare complete final drafts	6/30 - 7/3

10.	To League of Women Voters	7/3
	Public hearing/meeting and comments back from League	8/4 - 8/15
11.	Revisions, responsiveness summary	8/18 - 8/29
	Signing of agreements	9/8 - 9/12
	Award grants	9/15
	Distribution and publicity	9/15

Phase III

12.	Reports on status of commitments by states and EPA program divisions	3rd week after end of each quarter
13.	S/EPA staff prepares "Exception Report" on accomplishment of commitments	4th week after end of each quarter
14.	S/EPA Policy Committee Review of status of commitments	5th week after end of each quarter
15.	Meeting of state and EPA directors to review accomplishment of commitments	end of 2nd and 4th quarter

FY-81 STATE/EPA AGREEMENT/GRANT PROCESS



STATE/EPA AGREEMENT PROCESS

Phase I: Problem Identification and Strategy Development

1
S/EPA develop draft list and prioritize 5 year problems and goals

2
Develop and Issue FY-81 Program Guidance

3-4
EPA develop draft of 5 year strategy for each problem and planned program accomplishments for FY-81

5.
EPA develop Content of SEA's and distribute to State:
- Final Priority Problems
- Draft Strategies
- Draft ongoing commitments list
- FY-81 target funds

6
State and EPA negotiate and finalize 5 year problems and strategies:
- RA & Director
- Public Involvement

Phase II: Commitment Development and Finalization of Agreement

7
State and EPA jointly draft commitments for FY-81

8
S/EPA Policy Committee and States meet to negotiate commitments

9
S/EPA prepare draft of Agreement

10
Public Participation review of FY-81 Agreement

11
State Director and Regional Administrator review public comments, revise draft, sign, award grants, and publicize

Phase III: Tracking and Evaluation

12
End of each quarter, written report on status of completion of commitments

13-14
SEPA Policy Committee meeting to discuss exception reports on commitments at end of each quarter

15
Meeting of State and EPA at end of 2nd and 4th quarters to review status of commitments

REGION VIII SEA TRIP REPORT

INTRODUCTION

On June 24-25, 1980, Tim Icke of the Water Planning Division and Jerry Emison of the Program Evaluation Division met with key Region VIII staff to discuss the status and experiences of Region VIII FY '80 SEAs and the preparation of FY '81 SEAs.

SEAS HAVE A STRONGER POSITION AS A SENIOR MANAGEMENT TOOL

The State-EPA Agreements have become a principal means for the Regional Administrator, Deputy Regional Administrator and Division Directors to establish with their State counterparts the thrust of environmental programs during a particular fiscal year. This can be attributed to:

- Top management's commitment to using SEAs
- Inclusion of all EPA programs
- Emerging State recognition of SEAs use to them

RA and Senior Managers Use SEAs for Key Choices

The RA uses SEAs to identify and choose those environmental issues he believes necessary for EPA and a State to pursue. This is accomplished in two ways:

- Early in the process the RA identifies his priorities
- These priorities are negotiated by the lead Division Director and the State. The mutually agreed priorities are reviewed by the RA.

The Division Directors use the SEAs to make choices in two ways:

- Each Division Director acts as the Region's representative with one State. In this role, he must negotiate the Region's interests
- Each Division Director must ensure that the person negotiating with each State understands the issues concerning his program and is able to represent the views essential to the conduct of that program in the State

SEAs Cover All Programs

The FY '80 Agreements in Region VIII covered every EPA program that is carried out in concert with the States. The FY '81 SEAs are being negotiated on that same basis. This broad coverage is especially important because the negotiations for the SEAs also represent the negotiations for all grant agreements. The Regional staff, however, indicated that

often grants processes and their associated planning and guidance documents are not in phase with SEAs regard to timing.

The Region Plans to Start Earlier Next Year

The SEA process for FY '81 did not begin until April 1, 1980. This resulted in some especially tight deadlines that both the Region and the State were able to meet only by limiting analysis and consultation both within the Region and the State and between the Region and the State. The Region plans to start preparation of the FY '82 Agreements during the early winter so that ample time is provided for analysis, consultation, and expanded public participation.

The Process Has Both Organizational Breadth and Depth

The Region VIII SEA process has been designed to involve the widest range of staff views while at the same time obtaining the depth of knowledge found in each individual program. While this is a distinct plus in improving SEA quality, the staff indicated that it was a very time consuming and resource intensive process . Within the Regional Office SEA development is based on these responsibilities:

- RA provides overall policy and strategy direction for issues within a State
- Division Directors, as lead for one State, negotiate all programs with that particular State. They also ensure that for all States their media receive the emphasis, analysis and attention essential to deal with relevant environmental problems in each particular State
- SEA coordinators for each State assist the State's lead Division Director in the analysis, assembly and negotiation of SEAs with the States.
- Branch Chiefs are responsible for seeing that their programs receive appropriate emphasis in the negotiations. They are also responsible for developing and negotiating particular work plan elements and commitments associated with their programs in each State.

Assignments Cut across Programs

Region VIII uses a matrix management approach for the preparation and negotiation of SEAs. Each Division Director is assigned the lead responsibility for serving as EPA's representative in negotiations with a particular State. With assistance of his SEA coordinator, who is temporarily detached from another Division, the lead Division Director must orchestrate the preparation of all negotiating positions and analysis for his State and conduct the actual negotiations. This requires the Division Director to think not only in terms of his own program for every State, but also requires him to think in terms of all programs for a particular State. A number of Division Directors stated that having to represent all programs to one State had given them a fresher perspective seeing how their work integrated with other programs, and that this enabled them to

provide more service to other programs. Since the SEA coordinator for each lead Division Director was detailed from another Division, this further guaranteed a balanced consideration of the program issues. This situation has, however, resulted in some confusion about the responsibility of individual program offices to people not directly in a line management position.

Process Stresses Wide Inputs

The SEA process in Region VIII draws on inputs from both the State and the Regional Office. While the Regional Office is going through the process of preparing its agenda and developing its work plan for SEAs, the States are also conducting similar activities. The degree of emphasis and amount of preparation accorded this activity by the States varies highly. Regardless, the Regions and States continually work together in the process. Colorado, for example, seems to value the SEA not only in its role as a negotiation tool with EPA but also as a tool to identify and manage internally the activities essential to the Colorado program.

Program Staff: Key to Day-to-Day Functions

In FY '80, once the Agreements were negotiated and set, it became the individual program managers' responsibility to track the progress of the program in each State. They maintain these relationships in two ways:

- Day-to-Day contact with their regional counterparts.
- Quarterly formal reviews of SEA progress in the State.

The mid-year (second quarter) and end-of-year reviews are chaired by the lead Division Director for the State using program-specific information prepared by the program staffs. There appeared to be a difference of opinion at the program level about the utility of SEAs. Some program managers indicated that EPA should be undertaking these activities whether under the SEA umbrella or not. Other program managers believed that only limited advantages could be gained from the SEA. One certain advantage seemed to be that the SEA formalized and focused the discussion of the program staff with their State counterparts on achievements and accomplishments.

EPA Has Had Mixed Successes

This process has caused some States to carry out activities they would not have undertaken otherwise. The State of Utah's assumption of primacy under drinking water falls in that category.

EPA has also used SEAs to focus on problems at the State level which EPA could help solve. At the request of the North Dakota Department of Health, Region VIII undertook a detailed program evaluation that the State managers presented to the legislature in defense of an expansion of their budget.

On the other hand, EPA raised the issue of pesticides disposal with South Dakota during SEA development. While the SEA process did strengthen communication between the South Dakota Department of Agriculture and the Department of Health, disagreement remains on the issue of responsibility for pesticide disposal sites in the State.

BOTH STATE AND REGIONAL OFFICE DEFINE PRIORITIES

In the initial stages, the preparation of priority issue areas in the SEAs is carried out in a parallel fashion between the Regional Offices and the State. When the SEA process is initiated, the State is asked to develop its priority issue areas as well as its work plan. EPA in the process described above, also commences similar work. From that point on, priority development is a joint activity.

Method is Guided, but Bottom-Up

Within the Regional Office, priorities are set in two ways. The RA identifies his key areas of emphasis at the same time the program staffs are identifying areas of concern. The lead Division Director then discusses with the RA and the program staffs the appropriate level of emphasis for both cross-cutting and program-specific issues. In this way, the concerns of day-to-day program management are defined, discussed and decided upon in the context of overall top management priorities.

National Guidance is a Signal; Regional Guidance more Firm

At both the program manager and top management levels, Region VIII staff view the National Guidance as an indicator of the type of emphasis that should be accorded the topics in the SEAs. They did express concern that every Headquarters program office seems to insist that its programs receive priority treatment. When the Regional Office, in executing its SEA responsibilities, must make the choice of emphasis, the National Guidance does not provide enough information to trade off issues against each other.

The Region provides its States a Regional Guidance in the preparation of SEA. This guidance is oriented towards format and broad policy topics common throughout the Region and stresses procedures with the following basic coverages:

- Organizational responsibilities
- Region VIII objectives
- SEA format and content
- Public participation
- Cross-cutting issues

Problem-Solving Issues are Increasing

The percentage of priority issues devoted to cross-cutting or integrative topics in Region VIII is on the rise. In FY '80 very few topics were of this type; most SEAs stressed programmatic achievements. In FY '81 the Region expects about fifty percent of the topics to be programmatic; with the remainder being either cross-cutting or non-programmatic issues.

Most Successes Involve Setting Agendas

In the opinion of the Region VIII staff, the most beneficial result of the SEA process was the setting of an agenda to guide the work of the States during the upcoming fiscal year. This involved getting the States to take into account issues that EPA considered of importance, such as energy development in western North Dakota. It also included topics that EPA had not considered but which the State viewed as important, such as agricultural land control in North Dakota. When asked to identify significant achievements made by the SEAs, the preponderance of the staff in Region VIII identified coming to a common understanding of the responsibilities of EPA and the State; that is, setting the environmental agenda for both the State and EPA.

MANAGEMENT STRUCTURE AND PROCESSES EMPHASIZE TOP LEVEL NEEDS

Region VIII's conduct of the SEAs emphasizes meeting the needs of top management in both the State and Regional Offices.

SEAs and Grants are Closely Tied

The negotiation for a program grant is conducted under the aegis of the SEA. When the SEA is negotiated, its contents and the associated work plan become that of the grant and no further individual grant negotiations are conducted.

Tracking Is through Personal Contacts

The tracking of the SEAs occurs in the day-to-day telephone contacts of the program managers with their counterparts in the State governments. The more formal tracking takes place quarterly. In the first and third quarters, program managers individually meet with their counterparts in the State to discuss progress. The SEA commitments and activities form the subject of this review. In the second and fourth quarters, the RA, DRA and Directors conduct this review with their State counterparts, emphasizing overall State progress made in meeting the SEA commitments.

Managers Are Committed to Using SEAs

The Division Directors, DRA and RA appear to strongly support the use of SEAs as a means for prioritizing and monitoring the activities essential not only for the State but EPA in a fiscal year. At the State level this view is tempered somewhat. The State of Colorado views the SEA as not only a process to work with EPA, but also to manage within the division and to represent the division in negotiations over resources within the Department of Health. At the other end of the spectrum is the State of Wyoming, which views the process as another hoop through which to jump to get a grant. The other States appear arrayed between these two poles of opinion.

Multi-Year Strategies Lack Specificity

Each one of the SEA priority areas is required to have a multi-year strategy. Conversations with the Region VIII staff, and review of the multi-year strategies, indicated that these strategies lack a great deal of specificity. Part of this problem has been attributed to unfamiliarity with the concept and partly to the reluctance of managers to spell out long-term action when they do not control the resources necessary to carry it out.

Public Participation: A Developing Process

Public participation in Region VIII has basically been confined to the conduct of public hearings once the SEA has been prepared in draft form. The Region plans to alter this approach to obtain public input early in the setting of the priorities for the next fiscal year.

States Have First-Line Responsibility

Region VIII looks to the States to provide public participation for SEAs. In Colorado and Montana, participation was achieved through the use of standing advisory committees. In Colorado a committe was involved at the priority-setting phase and as the process became more specific, involvement decreased. The Region's attitude seems to be that the States are closest to the citizens and their interests, and therefore can be most effective reaching the citizens.

Timing Changes Planned for Next Year

The Region expects to begin the SEA process earlier for FY '82. One of the principal reasons for doing this is to provide time for a formal public input to the identification of priority areas.

ATTACHMENT 1

PERSONS INTERVIEWED

Mr. Gene Lucero, Deputy Regional Administrator
Mr. Lance Vinson, Director, Enforcement Division
Mr. Irv Dickstein, Director, Surveillance and Analysis
Mr. Jim Lehr, Deputy Director, Air and Hazardous Materials Division
Mr. Harvey Hormberg, Director, Office of Public Facilities and Grants
Mr. Pat Godsil, Chief, Water Planning Branch
Ms. Joan Barnes, Chief, Resources Management Branch
Mr. Jack Hoffbuhr, Chief, Water Supply Branch
Mr. Dallas Miller, Pesticides Program Staff
Mr. Bill Basbagill, SEA Coordinator for Wyoming
Ms. Loretta Pickerell, SEA Coordinator for North Dakota
Mr. Duane Traylor, SEA Coordinator for Colorado
Mr. Bob Arnott, Colorado State Assistant Director for Health Protection and Environmental Programs
Mr. Steve Kelsey, Colorado State Department of Health

REGION IX SEA TRIP REPORT

INTRODUCTION

On July 16-17, 1980, Saul Rosoff, Associate Assistant Administrator, Office of Planning and Management, and Judith Wheeler, Water Planning Division, visited Region IX to perform the FY '81 SEA Assessment.

Persons Contacted

Mr. Paul De Falco, Jr., Regional Administrator
Ms. Sheila Prindiville, Deputy Regional Administrator
Mr. Frank Covington, Director, Water Division
Ms. Catherine Kuhlman, SEA Coordinator

Directors: Air and Hazardous Materials, Enforcement, Management, Surveillance and Analysis Divisions

Mr. Mike Reed, Arizona Branch, Water Division
Mr. James Thompson, Nevada Branch, Water Division
Mr. Steven Pardieck, Pacific Islands Branch, Water Division
Mr. Dick Coddington, California Branch, Water Division
Ms. Loretta Barsamian, California Branch, Water Division

State of California

Ms. Mary Shallenberger, Office of Planning and Research

Regional Summary

The Regional Administrator (RA) and Deputy Regional Administrator (DRA) evidenced strong support of the SEA process and actively participated in the SEA assessment effort. They view the SEA as an agreement in principle, connected to the grant work plans by policy commitments to perform specific activities. In Region IX the process is started in late fall by meetings between the Governor and the RA to identify priority problems and/or organizational responsibility for SEA development.

The Regional organization remains unchanged from last year. The Regional SEA Task Group defines EPA priorities and develops Regional policy on public participation, tracking and other SEA related activities. The Task Group consists of Division Directors, State Branch Chiefs, State Project Officers and other Regional staff as appropriate. They also meet as necessary to resolve problems that arise during implementation of the SEAs. Day to day oversight and coordination rest with the SEA Coordinator.

It is anticipated the FY '81 SEAs will be signed by August and the work on program grants (except 208) will be completed by October, 1980.

FY '80 SEA

Process and Organization

Lead responsibility for the FY '80 SEA coordination was in the Water Division. Each State Branch was assigned lead responsibility for negotiating its State's SEA. Representatives from other Divisions were assigned to each State team. A multi-divisional team of Division Directors and staff met weekly and were involved in the development and review of the SEAs.

Procedures for Identifying Priorities

Priorities were developed by the Regional Office based on State profiles developed from 208 plans, monitoring data, 305(b) reports, air quality management plans, SIPs, solid waste management plans and other pertinent data. State Branch Chiefs worked with the States to refine the priority lists.

Management

FY '80 SEA priorities were reflected in the grant program work plans. Tracking of commitments was tied in with the quarterly and midyear grant reviews. The SEA review was performed by the EPA grant project officers who relayed their findings to the SEA project officers. Arizona held a public workshop to review progress of the FY '80 SEA and to obtain public input for development and State priorities in the FY '81 SEA. While it was agreed that the SEA process did not reduce paperwork, the Region noted a more efficient use of paperwork.

Except for California, most of the FY '80 SEAs involved single State Agencies. The Governors' Offices were involved in those agreements. For the California agreement EPA coordinated negotiations with seven State agencies, and there was only limited involvement of the Governor's office.

Public Participation

In general, the Region found public participation in the FY '80 SEA process disappointing, despite substantial efforts on the part of the Region and State agencies.

FY '81 SEA

Regional Overview

Region IX views the SEA as an agreement in principle which addresses top priority problems. The focus is on problems rather than EPA programs. Sustained high level participation by the State and the Regional office is key to the success of the process. To implement this philosophy the

Regional Administrator started meeting with the Governors in late 1979. These meetings provided an opportunity to discuss the States' environmental problems in a non-confrontational setting. Extensive staff work was done by the States and the Region in preparation for the RA/Governor meetings.

As a result the meetings were extremely productive and resulted in either an identification of major priority issues or decision regarding the roles of EPA and the State in the SEA process.

All Region IX SEAs are expected to be signed by mid-August. The agreements will drive the grant process. Work on program grants (except 208) will be completed by October 1, 1980. Among the benefits of the SEA process identified by Region IX is that it highlights problems and focuses resources at the State and EPA level. While the agreements themselves are general in nature, the grant work plans identify specific outputs to achieve the goals identified by the SEA. In some cases policy documents provide a linkage between the SEA and the grant work plans. The Region is preparing "cross walks" which identify these linkages.

Regional Process and Organization

A tracking strategy is being developed by Region IX. Currently tracking is done through quarterly progress reports and mid-year evaluations by the program grant officers. It is expected that, at a minimum, a Divis on Director and key staff will attend mid-year evaluation meetings, In California, which is a multi-agency State, one meeting will be held with EPA Division Directors and State Agency Executive officers to discuss SEA activities.

Lead responsibility for the SEA process is in the Water Division, which is organized by State Branches. There is a Regional SEA Task Group which meets weekly. Task Group members include Division Directors, Branch Chiefs, SEA State project officers, and other staff as appropriate. The Task Group was responsible for identifying priority issues for each State. The priorities were based on 305 (b) Reports, needs assessment, 208 plans, State Environmental Profiles, and the Agency Operating Year Guidance. After the priority issues were identified and conceptual agreement reached with the State, the Regional Office developed programmatic guidance which set forth program objectives and defined what the States must do to qualify for grant funds.

Public Participation

In general, Region IX felt a great deal of time and money was put into public participation without getting much from it. In Nevada a grant was made to the League of Women Voters to encourage public involvement in the SEA Process. The Arizona League of Women Voters had a similar grant and the State contributed with press releases, speakers and staff support. California added some of its own funds to the grant. Public meetings were held on the draft SEA in each State.

Nevada SEA

In the highly productive meeting between the Governor and the RA, the decision was made to emphasize priority problems that are visible and address-

able. Nevada has most of its population in two urban areas and the State government is weak in relation to local government. The growth rate is the fastest in the nation. There is strong budget pressure to limit state government. Because the State agencies are small, EPA took a major role in drafting the FY '81 SEA.

Priority Issues

The Regional Office reviewed each geographical area of the State to determine the priority issues. Consideration was given to whether a given program delegation would help solve the associated environmental problems. It is anticipated the final SEA will address ten priority problems ranging from several relating to specific air and water quality problems (e.g., Tahoe, Clark County) to broader based problems such as ground ground water and solid/hazardous waste.

Public Participation

A $10,000 grant was given to the League of Women Voters to conduct SEA public participation activities. The League prepared and distributed six media fact sheets and conducted two workshops with about fifty attendees at each. Because of the relatively large number of newcomers to the State, who do not have strong roots there, it is difficult to get extensive public involvement.

Successes

- Governor's priorities clearly identified
- Possible future bi-State (Nevada, California) agreement regarding Tahoe
- Major programmatic decisions made in overall context

Arizona

Arizona is the third fastest growing State in the nation with approximately 75% of its population in the Phoenix and Tucson areas. 27% of the land area of the State is Indian Reservations, 44% is Federally controlled, 13% is owned by the State and 16% is in private ownership.Governor Babbitt and his office have taken an active role in SEA development. The Department of Health Services has lead responsibility for all EPA grant programs except pesticides. The Office of Economic Planning and Development coordinates SEA development. Arizona has used the SEA to bring policy questions to the attention of higher level decision makers in relation to proposed State air quality regulations.

Priority Issues

Priority problems include six air quality issues such as metropolitan area air quality and multi-point rollback regulations; water quality management problems receiving insufficient resources to maintain programs at current levels; ground water (need for a comprehensive State program); solid and hazardous waste, including interim authorization and hazardous waste disposal site selection; pesticides and toxics; emergency response; and noise.

Public Participation

A $10,000 grant was made to the League of Women Voters to work with eight targeted groups to involve them in the SEA process. Targeted groups included Junior League, Arizona Nurses Association, Universal Unitarian Church, and Tucson Singles Council. Programs were set up tailored to each group's interests and needs. Written information was distributed; there were slide shows, speakers and panels, and response forms. The meetings were well attended and generated lively discussions of the issues. Regional evaluation of this effort was that it was not time and cost effective to try to develop a personalized program for each group; rather, preparation of a standard public relations package to reach as many community groups as possible through statewide workshops would be a better approach.

Successes

- Involvement of Governor's office
- Public input impacted SEA
- SEA drives the work plan

California

Eleven media specific agencies are participating in the FY '81 SEA. Overall coordination is performed by the Governor's Office of Planning and Research (OPR) rather than by EPA as was the case with the FY '80 SEA. In California, Department and Board heads have strong policy making ability. EPA FY '80 grants for all media programs totalled over $28 million. About $12,000,000 of this grant money goes to the State Water Resources Control Board (SWRCB). California differs from many other States not only in the autonomy and number of State agencies concerned with environmental programs, but in the fact that State funds heavily overmatch Federal funds.

The FY '80 SEA addressed one cross-cutting issue - toxics management. For FY '81 it was decided to address three new issues in addition to updating the toxics agreements. The SEA is an agreement in principle which defines the roles of the participating agencies. There is also a policy statement from the SWRCB which provides a link between the broadly worded SEA and the program work plans.

Process

The SEA process began with a meeting between the RA and the Governor's office to define roles and responsibilities. OPR was given lead responsibility to coordinate the SEA. Early in the year OPR met with agency heads to begin the problem identification process. OPR drafted a description of each of the problems it identified which was then reviewed by the State agencies. At that point in time, EPA became involved in the priority setting process. A meeting was held with State Agency heads which was attended by the RA and Water Division Director to finalize the priorities.

Priority Issues

Both OPR and EPA independently developed priority lists. The State placed emphasis on priority issues which needed coordination - thus air quality, while a major environmental problem in California, was not included as a SEA priority because it is not an issue needing coordination. Since the SEA is oriented toward State problems needing coordination rather than EPA programs, some problems are included in the SEA which are unrelated to EPA grant programs.

The Four priority problems identified in the FY '81 SEA are: toxics management; ground water quality (unrelated to EPA grant programs); waste reduction, resource recovery and recycling; and water conservation, reclamation, and reuse.

Public Participation

A fact sheet, developed with the assistance of the league of Women Voters, describing the draft SEA was mailed to a wide list including COG's, private industry, local government, and public interest groups. There was substantial telephone response to this mailing. A public meeting was held July 15 with very small attendance. In general the wide variations in Californis (e.g., over half the population is in the bottom one-quarter of the State and over half the water is in the north) make true statewide public attention difficult.

Successes

- Process accepted by State
- Involvement of 11 State agencies
- Continuation of toxics activities (newly created Toxics Substances Coordinating Council)
- Three additional problems addressed
- Increased State role through coordination function of OPR
- SEA directs State activities; goes beyond EPA funded activities
- SEA drives work plan process

Hawaii

The FY '81 SEA will include CWA, CAA, SDWA and the RCA programs in the Department of Health and, for the first time, the pesticides program in the Department of Agriculture. The agreement includes activities which go beyond EPA - funded programs.

Priorities

Ground water management and water supply are the top priority problems in Hawaii. Other priorities are non point source run off, point source, hazardous wasted, air pollution in certain limited areas, and monotoring and data support. The Department of Agriculture priorities involve pesticide use regulation and environmental monitoring for pesticide contamination.

Public Participation

Public hearings were held in all four counties in conjuction with other environmental issues such as the construction grants priority list and 208 plan revisions. There was limited attendance which was attributed, at least in part, to cultural attitudes toward public involvement. In addition, environmental problems are not perceived by the public to be severe.

Successes

- SEA successfully used by DOH in dealing with the State legislature on budgetary matters

Pacific Islands

The Pacific Islands include the Northern Marianas, Guam, the Trust Territories and American Samoa. Grants to the island are made under the Omnibus Territories Act which waives the matching share and provides for a block grant. Each of the island groups has a centralized environmental agency. Because of the consolidated grant process the SEA can easily be related to the grant. The draft SEAs were developed by the Regional Office based on environmental profiles. EPA has IPA's in Somoa, Guam and the Northern Marianas at the Deputy Director level. The Governor in each island group will sign the SEAs.

Priority Issues

The major problems in the Pacific Islands are public health, water supply, and ground water degradation.

Public Participation

For the islands, public participation consists mainly of review of the draft SEA by environmental and other agencies.

Successes

- More efficient paperwork
- Improved relationships between EPA and island government

GENERAL REGIONAL PERSPECTIVES

Several areas of Regional concern were identified during the assessment. The Region noted that guidance has been sent out by various Headquarters program offices subsequent to the issuance of the Agency Operating Year Guidance which requires that additional items be considered for inclusion in the SEA. Because the priorities in Region IX States are identified early in the calendar year it would create credibility problems for the region were they to add new items to the State negotiations after conceptual agreement had been reached (usually in mid-April).

Another Regional comment regarded the length of some of the guidance material (other than the Operating Year Guidance) being sent to the Regions.

The Regional Administrator expressed his concern that the SEA remain flexible and be reserved as a high level document to address top priority issues only.

Assessment Team Comments

Region IX has a substantial and serious commitment to the SEA process, which is evidenced by the direct involvement of the RA and DRA. Extensive new ground was broken in the area of priority problem identification. The Region has used the SEA successfully as a top level document and, through the SEA process, has established and strengthened relationships with the Governor's Offices. The SEA provides the policy basis for defining activities and outputs in the program work plans and the timing of the Regional process provides for completion of the SEAs early enough to allow completion of most work plans by the beginning of the fiscal year.

The Region is currently developing a tracking strategy. One area which needs further thought is public involvement. The Region has recognized this as a problem area that must be addressed by both the Region and the Headquarters during the coming months.

REGION X SEA TRIP REPORT

INTRODUCTION

Background Information

On July 14-15, 1980, Saul Rosoff, Associate Assistant Administrator, Office of Planning and Management, and Judith Wheeler, Water Planning Division, visited Region X to perform the FY '81 SEA assessment.

Persons Contacted

Mr. Donald DuBois, Regional Administrator
Mr. Ed Coate, Deputy Regional Administrator
Mr. Richard Bauer, Chief, Resources Management Branch
Ms. Alex Smith, Director, Air and Hazardous Materials Division
Mr. Lloyd Reed, Director, Enforcement Division
Mr. Bob Burd, Director, Water Division
Mr. Jim Sweeney, Alaska Operations Office
Mr. Lyman Nielson, Washington Operations Office
Mr. Lynn McKee, Idaho Operations Office
Mr. John Vlastelicia, Oregon Operations Office

Regional Summary

The Regional Administrator and Deputy Regional Administrator continue to strongly support the SEA concept and process. The Regional organization remains the same as it was last year, with lead responsibility for negotiating SEAs in the Operations Office and coordination responsibility in the Resources Management Branch. The Divisions provide guidance and support. The Operations Offices now have increased responsibility for managing program grants. The Regional SEA format is unchanged.

The 1981 SEAs will cover all EPA programs, with the possible exception of pesticides in Washington. Emphasis is being placed on refining the FY '80 SEAs to define more accurately the outputs and time frames for solving priority problems. The Region will continue to regard the SEAs as bilateral agreements by making Regional commitments. The FY '80 SEAs were used during the mid-year and quarterly evaluations and Region X tracks commitments made in the SEAs.

Because the FY '80 SEAs identified many long-term priorities, the FY '81 SEAs are less concerned with identifying new priorities than with refining existing priorities to reflect problems and updating activities related to the FY '80 priorities. Of major concern are possible budget problems in Oregon which could result in a 15% to 30% cut in State programs and may lead to a decision not to accept program delegations.

There appeared to be substantial improvement in the relationship between the Regional Office Divisions and the Operations Offices. A meeting was held July 23 to clarify the remaining questions regarding respective responsibilities.

FY 1980 SEA

Status

State	Covered Programs
Alaska	CWA, RCRA, SDWA, CAA
Washington	CWA, RCRA, SDWA
Oregon	CWA, RCRA, SDWA, CAA
Idaho	CWA, RCRA (limited), SDWA, CAA (very limited)

Process and Organization

For the FY '80 SEAs primary responsibility was placed in the Operations Office in each State. Divisions in the Regional Office were responsible for providing guidance and assistance and retained responsibility for management of some program grants. The Resources Management Branch coordinated SEA development.

Procedures for Identifying Priorities

Priority lists for each grant program were developed by the Divisions. These lists were used by the Operations Offices as the basis for negotiating SEA priorities with the States.

Management

SEA priorities were reflected in the grant work plans and, in some cases, in multi-media work plans relating to integrated problems. Progress toward meeting SEA commitments was tracked through quarterly and mid-year reviews. Personnel performance agreements were related to SEA responsibilities.

Environmental profiles for each State were used to develop priorities. Multi-year strategies were included in each agreement for water programs and in some agreements for cross-cutting issues.

SEA Commitments

Region X made numerous commitments in the FY '80 SEAs and had substantial success in meeting them. Many of the State commitments were unrealistic. The FY '81 SEAs show changes in commitments which reflect a more realistic approach to problem-solving based on experience with the FY '80 Agreements.

Public Participation

Public participation in the FY '80 SEAs was limited. For example, in Alaska EPA did not participate in the SEA workshop and general attendance was limited. In Washington inadequate time was left for public participation. In Idaho, two citizens attended the SEA workshop.

General Comments of FY 1980 Experience

Region X and its States broke a great deal of new ground in identifying cross-cutting issues in the FY '80 SEAs. Strong emphasis was placed on multi-year and multi-media stategies.

FY 1981 SEA

Status

State	Expected Signing Date	Covered Programs
Alaska	9/30/80	CWA, CAA, SDWA, RCRA, Pesticides
Oregon	9/1/80	CWA, CAA, SDWA, RCRA, Pesticides (limited), noise
Washington	9/30/80	CWA, CAA, RCRA, SDWA, Noise
Idaho	9/15/80	CWA,CAA,RCRA,SDWA, Pesticides (Separate Agreement)

Process and Organization

The Region X organizational structure remains the same as last year's. Increased responsibility is being given to the Operations Offices to manage the program grants.

Once a month the Directors of the Operations Offices come to the Regional Office. At that time an SEA status meeting between the program managers, staff and the Operations Offices Directors is held. The SEA process and status in each State is reviewed and any problems are addressed.

In general more State agencies are involved in the FY '81 SEA process than were involved in FY '80. In addition to the lead agency in each State, Alaska will be involving the Alaska Coastal Zone Management Agency, Oregon and Washington have been negotiating with the State Department of Agriculture regarding pesticides, and Idaho is involving the Department of Agriculture (pesticides) and the Department of Water Resources (UIC program for wells over 18 feet deep).

Procedures for Identifying SEA Priorities

The Regional approach for identifying FY 1981 SEA priorities remains unchanged from FY '80. Environmental profiles and 305 (b) reports are used to identify priorities for each State by program. Based on the Agency Operating Year Guidance, Regional guidance is developed for each program which defines negotiating bounds. These priorities and the guidance are sent to the Operations Offices and provide the basis for negotiations with the States to develop mutually acceptable priority lists. Generally, there have not been any major disagreements over priorities. However, there may be a problem regarding the 205 (g) delegation in Oregon and the NPDES delegation in Washington (which relates to control of Indian lands). In the FY '81 SEAs relatively few new priorities are being identified, since many of those in the FY 80 SEAs were multi-year problems. Rather, FY '80 priorities are being updated.

Management

The SEA management system for FY '81 remains the same as in FY '80. SEA priorities are reflected in program work plans and multi-media work plans. Tracking is based on quarterly reports and mid-year evaluations. In general, both the States and EPA have met their FY '80 commitments. In some cases SEAs were amended to reflect changed conditions. Where FY '80 commitments were unrealistic or too numerous, changes are being made in the FY '81 SEAs to provide more achievable commitments.

Public Participation

Although efforts were made to involve the public in the development of the FY '80 SEA, success was limited. For FY 81, at a minimum, public meetings on the draft SEA will be held in each State. A State-by-State breakdown of public participation for the FY '81 SEA follows.

Alaska: A notice of intent to begin the SEA process was available in late April. In June, 3000 State questionnaires on environmental problems were sent out and approximately 200 responses were received. Three workshops will be held on the draft SEA.

Idaho: The FY '81 SEA process has shown improved public participation. Only two people attended the FY '80 public meeting. For FY '81 there was increased involvement of local government, COGs Health District and industrial groups throughout the year. Numerous drafts of the SEA were sent out and public meetings held after the draft was prepared.

Oregon: Public participation retreats for State agency staff and others were held in January and February to begin to identify priority issues.

Washington: FY '80 public involvement was very limited. For the FY '81 process 4000 notices were sent out to the public that the process was beginning. Key SEA papers, including the draft SEA, were available at information centers in public libraries, State offices and EPA. The Executive Summary was sent out upon request.

General Regional Perspectives

The SEA concept is completely compatible with the Region X management concept. The Region used the Agency Operating Year Guidance in the priority-setting process, although the Guidance came too late for the initial Oregon problem identification meetings. The RA and DRA expressed their belief that strong statements are needed from the Administrator and Deputy Administrator regarding which priorities are the most important. They also expressed concern for the manpower demands of the SEA on both the Region and the States and strongly supported keeping the SEA as flexible as it currently is. At least two States (Oregon, Idaho) in Region X expect substantial resource problems because of legislative spending limits which will undoubtedly impact SEA commitments. The RA and DRA said the public participation aspect of the SEA has been disappointing.

The Director of the Air and Hazardous Materials Division commented on the supportive attitude of Headquarter's Air programs regarding inclusion of air in the SEA. She would like to see clearer guidance concerning the inclusion of pesticides and radiation in the SEA. Pesticides are managed by State Departments of Agriculture which fear losing the program to State environmental agencies. In addition, she believes that the Regions need more toxics staff in order to gain credibility with the States as to the importance of toxics control.

The Enforcement Division Director said his Division has limited involvement in the SEA. Compliance Assurance Agreements are Enforcement's basic input to the SEA. He identified as a problem area conflicts in timing between SEA enforcement commitments and ZBB. The Municipal Management System is expected to resolve conflicts but timing problems preclude meeting the Headquarters 10/1/80 deadline.

The Water Division director felt SEAs were being taken seriously by the States. 208 work plans will be included in all SEAs. The SEA is specifically being used to target problem areas in Region X identified by the DAA for Drinking Water. In FY '81 there will be an increased emphasis on groundwater.

Comments on FY '81 Experience (Review Team)

The SEA process in Region X appears to be on track. The Regional staff and the States accept the SEA concept. The SEA has been an integrating tool at the Regional level. Strong support by senior management has been a significant factor in the success of the SEA process in Region X.