

intended to provide each Region with the means of awarding funds to States and Territories based upon the progress that the grantee is making in developing a program, the overall quality of the program, and/or identified needs. The EPA Regional Offices will also have the discretion to use these dollars to help support the Federal lead-based paint programs in non-authorized States, Territories, and Tribal lands within the Region.

The base funding set-aside provides a base level of funds for every State and Territorial applicant. Each State that submits a qualifying proposal and is making sufficient progress toward development and implementation of an authorized lead-based paint program may receive a base funding allotment of \$100,000. Each Territory that submits a qualifying proposal and is making sufficient progress toward implementation of an acceptable program may receive a \$50,000 base. However, base level funding for non-authorized States and Territories may be reduced by the Regional Offices depending on progress made toward the development and/or implementation of acceptable programs. Funds are also set aside and are apportioned to EPA Regional and EPA Headquarters Offices based upon direct implementation funding needs. These funds are intended to ensure that EPA has adequate funds to directly implement the lead-based paint program in non-authorized States, Territories, and Indian Tribes.

Once base and discretionary funding set-asides are accounted for, the remaining State and Territorial funds are allocated through the third tier of the process, which involves allocating funds for every State and Territorial applicant based on a formula that considers the relative lead burden estimated to exist within States and Territories. States and Territories whose funding requests exceed their base allotments can be given additional funds ("formula funds") based upon their relative lead burden, and for this exercise, all 50 States, the District of Columbia, and the Territories are used to calculate the formula distribution.

In calculating the lead burden for the formula rankings, EPA uses readily available data derived from the 2000 Census and the 2001 National Survey of Lead and Allergens in Housing prepared by the U.S. Department of Housing and Urban Development. The formula uses four factors to generate an estimate of the potential lead problem, or "lead burden," in each State and Territory. Two of these factors, the number of housing units with lead-based paint and

the number of children under age 6, express the potential magnitude of the lead problem. The remaining two factors, the percentage of young children in poverty and the number of low-income housing units with lead-based paint, express the potential severity of the problem.

In determining formula rankings, each State and Territory is scored independently for each factor, and the four individual factor scores for each of the States and Territories are then summed to obtain an overall score for that applicant (a combined factor score). The combined factor scores of all States and Territories applying for formula funds are then summed, and the percentage of the total sum represented by the individual State's or Territory's score is then identified. The applicant's formula allotment is determined by multiplying the total formula funding by the percentage scores of the individual State or Territory.

After funding levels (base, discretionary, and formula set-asides) are determined for each State and Territory, the funds will be pooled for each Region and transferred in bulk to the respective Regional accounts.

Following distribution of the funds to the Regional Office accounts, then the second step in the distribution process occurs; Regional Offices determining the actual funding level to be received by each of the grantees. Funding levels per grantee will be determined by the Regional Offices based on the application submitted and may be decreased or increased based on performance and/or by fiscal need, which may include an evaluation of the progress that the grantee is making in developing a program, an evaluation of the performance of the grantee in implementing a program, an evaluation of expenditures of previously awarded funds, and/or an evaluation of future funding needs.

7. Submission requirements. Applicants are directed to 40 CFR part 35, subpart A and subpart B for details on the submission requirements for grant applications. To be considered for funding, each application must include the following components listed in 40 CFR part 35.104 (applicable to States and Territories) or 40 CFR part 35.505 (applicable to Indian Tribes and Intertribal Consortia):

- i. Meet the requirements in 40 CFR part 31, subpart B.
- ii. Include a proposed work plan that meets the requirements in 40 CFR 35.107 (for States and Territories) or 40 CFR 35.507 (for Indian Tribes or Intertribal Consortia).

iii. Specify the environmental program and the amount of funds requested.

For TSCA Title IV section 404(g) funding for Indian Tribes, EPA is soliciting pre-application grant proposals prior to the submittal of the forms and certifications listed in this unit. This pre-application procedure entails the applicants initially submitting only a work plan and a budget. The Agency will use the applicants' work plans and budgets to select programs to be funded under this grant program. After EPA conducts a review of all submitted pre-applications, successful applicants will be contacted and requested to submit the other required documents listed in this unit, such as the "Application for Federal Assistance" form (Standard Form 424 or SF424), and the "Budget Information: Non-Construction Programs" form (SF424A). In addition, as part of the pre-application, Indian Tribes and/or Intertribal Consortia must include all appropriate information to demonstrate that they meet the criteria at 40 CFR 35.693 for treatment as a State. In order for Intertribal Consortia to be eligible for financial assistance under section 404(g), they must include all appropriate information to demonstrate that they meet the requirements at 40 CFR 35.504 concerning eligibility.

The following forms and certifications, which are contained in EPA's "Application Kit for Assistance," must be included in all applications:

- a. Standard Form 424 (Application for Federal Assistance).
 - b. Standard Form 424A (Budget Information: Non-Construction Programs).
 - c. Standard Form 424B (Assurances: Non-Construction Programs).
 - d. Standard Form LLL (Disclosure of Lobbying Activities).
 - e. Certification Regarding Debarment and Suspension.
 - f. EPA Form 4700-4 (Compliance Review Report Form).
 - g. Quality Assurance Statement.
- Application Kits for Assistance are available from any of EPA's 10 Regional Offices.

The following regulations may also be helpful to the applicants as they prepare their financial assistance applications: 40 CFR part 7 (Nondiscrimination in Programs Receiving Federal Assistance from the EPA); 40 CFR part 12 (Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the EPA); 40 CFR part 32 (Government Wide Debarment and Suspension and Government Wide Requirements for Drug-Free Workplace); and 40 CFR part 29 (Intergovernmental