



Environment and Natural Resources Trust Fund (ENRTF) M.L. 2017 LCCMR Work Plan

Date of Submission: September 14, 2016
Date of Next Status Update Report: January 31, 2018
Date of Work Plan Approval:
Project Completion Date: June 30, 2019
Does this submission include an amendment request?

PROJECT TITLE: Contract Agreement Reimbursement

Project Manager: Katherine Sherman-Hoehn
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Location: Statewide

Total ENRTF Project Budget:	ENRTF Appropriation:	\$135,000
	Amount Spent:	\$0
	Balance:	\$135,000

Legal Citation: M.L. 2017, Chp. xx, Sec. xx, Subd. xx

Appropriation Language:

[To be inserted following the MN Legislative Session in Spring 2017. This will be blank for the initial submission and will be provided to you at a later date.]

I. PROJECT TITLE: Contract Agreement Reimbursement

II. PROJECT STATEMENT: The DNR Grants Unit will use this appropriation to provide continued contract management services to pass-through recipients of Environment and Natural Resource Trust Fund dollars appropriated to the Commissioner of Natural Resources.

Contract management ensures oversight of reimbursement for project deliverables and meets the requirements of the Department of Administration’s Grants Management procedures as well as the recommendations of the Legislative Auditor. It aids recipients with financial compliance and ensures project consistency with appropriation law, state statute, grants policies and approved work plans.

The goal of the DNR Grants Unit is to provide grantees with one consistent point of contact for their agreements and excellent customer service.

III. OVERALL PROJECT STATUS UPDATES:

Project Status as of January 31, 2018:

Project Status as of August 31, 2018:

Project Status as of January 31, 2019:

Overall Project Outcomes and Results:

IV. PROJECT ACTIVITIES AND OUTCOMES:

ACTIVITY 1: Contract Management

Description: The DNR Grants Unit will continue to balance the needs of appropriation recipients and the intended conservation work outcomes with financial integrity and fiduciary responsibility in order to ensure funds are expended in compliance with appropriation law, state statute, grants policies, and approved work plans.

Services to be provided under this appropriation include the following:

1. Contract Management
 - a. Prepare grant agreements and amendments.
 - b. Contract related policy and procedure development.
 - c. Process improvements that improve efficiency and ease for grantees while ensuring fiscal integrity.
 - d. Contract management documentation, including file management.
2. Training and Communications
 - a. Communicate regularly, informally and formally, with LCCMR staff and grant recipients (including website updates and newsletter).
 - b. Train recipients on state grant requirements, including reporting procedures, proper documentation of expenses, and the Department of Administration’s grants management policies, to ensure grantees follow state law and grants management policies set forth by the state.
 - c. Work with recipients to ensure grantees understand the state’s reimbursement procedures and requirements.
 - d. Provide ongoing technical assistance/guidance to recipients.
 - e. Participate in grants governance committees and meetings.

- f. Consultation with subject matter experts on land acquisition.
- 3. Reimbursement
 - a. Review reimbursement requests to ensure claimed reimbursements include sufficient documentation and comply with state and session laws, the LCCMR approved work plan, and the Office of Grants Management (OGM) grants policies.
 - b. Consult with grantees on documentation submitted.
 - c. Arrange for prompt payment once grantee has submitted a completed reimbursement request and expenses have been determined to be eligible for reimbursement.
- 4. Fiscal and Close-out
 - a. Encumber/Unencumber Funds.
 - b. Detailed accounting by pass-through appropriation for each grant recipient.
 - c. Electronically transfer funds for land acquisition.
 - d. Execute Use of Funds Agreements.
 - e. Financial reconciliation.
 - f. Financial reporting.
 - g. Contract management reporting (fund balance/expenditures).
 - h. Examine records of recipients.
 - i. Work with recipients to successfully close out grants.
 - j. Work closely with and respond to requests from the Office of the Legislative Auditor.
 - k. Grant fiscal monitoring in compliance with OGM policy.
 - l. Provide/confirm information to assist with grantee audits.
 - m. Process returned grant funds.

The DNR Grants Unit works in cooperation with LCCMR staff to ensure that ENRTF funds are spent appropriately and reimbursed expediently in order to facilitate recommended project work.

This appropriation funds contract management services that are billed using a professional services rate. The rate for FY17 is \$62/hr. If the rate changes for FY18 or subsequent fiscal years, the project manager will inform LCCMR staff immediately and request an amendment to the work plan. The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, allocated administrative costs including rent and printing, as well as other related costs necessary to carry out the pass-through grant management program. Multiple staff with a variety of grants, financial or other responsibilities provide contract management services to ENRTF as well as the Outdoor Heritage Fund (OHF). Cost coding is used to record and differentiate time spent on ENRTF and OHF pass-through grant management. The DNR will not bill for services not received or provided.

The Professional Services Rate is calculated as follows:

Table 1: Professional Services Rate Calculation

	FY 17	FY 16	FY15
Full Time Equivalents (FTE)	2.75	3.12	2.78
Salary and Fringe	\$ 233,200	\$ 244,049	\$ 215,497
Related Non-Salary Costs as Detailed in Table 2	\$ 25,921	\$ 36,292	\$ 21,948
Total Grant Unit Cost	\$ 259,121	\$ 280,341	\$ 237,445

Estimated billable hours (75% of staff time)	4150	4716	4170
Professional Services Hourly Rate (Total Cost/Billable Hours)	\$ 62.00	\$ 59.00	\$ 56.94

Table 2: Related Non-Salary Costs

	FY 17	FY 16	*FY15
Other Employee Costs (severance, worker's comp, unemployment)	\$ 574	\$ 2,575	
Rent (allocated by average per FTE)	\$ 6,711	\$ 14,904	
In-state Travel and Employee Development	\$ 1,152	\$ 1,104	
Supplies/ Non-Capital Equip/Communications/Computer/Fleet (allocated by average per FTE)	\$ 5,746	\$ 4,846	
**Agency Direct, Statewide, and Other Operating Costs (allocated by average per FTE)	\$ 11,737	\$ 12,863	
Total	\$ 25,921	\$ 36,292	\$21,948

*FY15 calculation underreported related non-salary costs; this column reflects the total costs as corrected in FY16

** Agency Direct, Statewide, and Other Operating Costs: Agency Direct costs are DNR Business Service, primarily DNR Contracting and DNR Accounts Payable; Statewide costs are charges from MMB, Admin, and MNIT for SWIFT; Other Operating Costs are purchased services such as document destruction.

Summary Budget Information for Activity 1:

ENRTF Budget: \$ 135,000
Amount Spent: \$ 0
Balance: \$ 135,000

Outcome	Completion Date
1. Administration of Environment and Natural Resources Trust Fund pass-through contracts and reimbursements.	June 30, 2019

Activity Status as of January 31, 2018:

Activity Status as of August 31, 2018:

Activity Status as of January 31, 2019:

Final Report Summary:

V. DISSEMINATION:

Description: Minnesota Department of Natural Resources Grants Unit staff are in frequent contact with ENRTF pass-through appropriation recipients through phone calls, emails, letters, training, surveys, quarterly newsletters, and manuals. In addition, a website with grantee resources can be found here:

<http://www.dnr.state.mn.us/grants/passthrough/index.html>

Status as of January 31, 2018:

Status as of August 31, 2018:

Status as of January 31, 2019:

Final Report Summary:

VI. PROJECT BUDGET SUMMARY:

A. Preliminary ENRTF Budget Overview:

***This section represents an overview of the preliminary budget at the start of the project. It will be reconciled with actual expenditures at the time of the final report.**

Budget Category	\$ Amount	Overview Explanation
Personnel:	\$ 135,000	This appropriation funds contract management services billed using a professional services rate (\$62 for FY17). The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, allocated administrative costs including rent and printing , as well as other related costs necessary to carry out the pass-through grant management program. Multiple staff with a variety of grants, financial or other responsibilities provide contract management services to ENRTF and OHF. Cost coding is used to record and differentiate time spent on ENRTF and OHF pass-through grant management. Services not received or provided will not be billed.
Professional/Technical/Service Contracts:	\$	
Equipment/Tools/Supplies:	\$	
Capital Expenditures over \$5,000:	\$	
Fee Title Acquisition:	\$	
Easement Acquisition:	\$	
Professional Services for Acquisition:	\$	
Printing:	\$	
Travel Expenses in MN:	\$	
Other:	\$	
TOTAL ENRTF BUDGET:	\$135,000	

Explanation of Use of Classified Staff: Classified staff receive funds from this appropriation through the professional services rate included.

Explanation of Capital Expenditures Greater Than \$5,000: N/A

Total Number of Full-time Equivalent (FTE) Directly Funded with this ENRTF Appropriation: 2

Total Number of Full-time Equivalent (FTE) Estimated to Be Funded through Contracts with this ENRTF Appropriation: N/A

B. Other Funds: None

VII. PROJECT STRATEGY:

A. Project Partners:

Appropriation recipients, LCCMR staff, Office of Grants Management staff, DNR Grants Unit and other staff, and other agency and legislative staff will be carrying out the proposed activities.

Partners receiving ENRTF funding: The DNR Grants Unit manages contracts for all ENRTF appropriation recipients.

Partners NOT receiving ENRTF funding

- *Susan Thornton, Director, LCCMR.*
- *Naomi Munzer, Director, Office of Grants Management.*
- *Barb Juelich, CFO, Department of Natural Resources.*

B. Project Impact and Long-term Strategy:

Centralized administration of ENRTF pass-through appropriations to the commissioner of natural resources results in more efficient and consistent management of these funds and better communication among the project team/partners.

C. Funding History:

Funding Source and Use of Funds	Funding Timeframe	\$ Amount
Environment and Natural Resources Trust Fund	FY14/15	\$135,000
Environment and Natural Resources Trust Fund	FY15/16	\$135,000
Environment and Natural Resources Trust Fund	FY 16/17	\$135,000

VIII. REPORTING REQUIREMENTS:

- **The project is for 2 years, will begin on 07/01/17, and end on 06/30/19.**
- **Periodic project status update reports will be submitted January 31 and August 31 of each year.**
- **A final report and associated products will be submitted between June 30 and August 15, 2019.**

IX. VISUAL COMPONENT or MAP(S): The most recent edition of our quarterly newsletter is attached.

X. FEE TITLE ACQUISITION/CONSERVATION EASEMENT/RESTORATION REQUIREMENTS: N/A

A. Parcel List: N/A

B. Acquisition/Restoration Information: N/A

Fee Title Acquisition

- 1. Describe the selection process for identifying and including proposed parcels on the parcel list, including explanation of the criteria and decision-making process used to rank and prioritize parcels.**
- 2. List all adopted state, regional, or local natural resource plans in which the lands included in the parcel list are identified. Include a link to the plan if one is available.**
- 3. For any parcels acquired in fee title, a restoration and management must be prepared. Summarize the components and expected outcomes of restoration and management plans for parcels acquired by your organization, how these plans are kept on file by your organization, and overall strategies for long-term plan implementation, including how long-term maintenance and management needs of the parcel will be financed into the future.**
- 4. For each parcel to be conveyed to a State of Minnesota entity (e.g., DNR) after purchase, provide a statement confirming that county board approval will be obtained.**
- 5. If applicable (see M.S. 116P.17), provide a statement confirming that written approval from the DNR Commissioner will be obtained 10 business days prior to any final acquisition transaction.**

Conservation Easement Acquisition

1. Describe the selection process for identifying and including proposed parcels on the parcel list, including explanation of the criteria and decision-making process used to rank and prioritize parcels.
2. List all adopted state, regional, or local natural resource plans in which the lands included in the parcel list are identified. Include a link to the plan if one is available.
3. For any conservation easement acquired, a restoration and management must be prepared. Summarize the components and expected outcomes of restoration and management plans for parcels acquired by your organization, how these plans are kept on file by your organization, and overall strategies for long-term plan implementation, including how long-term maintenance and management needs of the parcel will be financed into the future.
4. For each parcel to be conveyed to a State of Minnesota entity (e.g., DNR) after purchase, provide a statement confirming that county board approval will be obtained.
5. If applicable (see M.S. 116P.17), provide a statement confirming that written approval from the DNR Commissioner will be obtained 10 business days prior to any final acquisition transaction. A copy of the written approval should be provided to LCCMR.
6. Provide a statement addressing how conservation easements will address specific water quality protection activities, such as keeping water on the landscape, reducing nutrient and contaminant loading, protecting groundwater, and not permitting artificial hydrological modifications.
7. Describe the long-term monitoring and enforcement program for conservation easements acquired on parcels by your organization, including explanations of the process used for calculating conservation easement monitoring and enforcements costs, the process used for annual inspection and reporting on monitoring and enforcement activities, and the process used to ensure perpetual funding and implementation of monitoring and enforcement activities.

Restoration

1. Provide a statement confirming that all restoration activities completed with these funds will occur on land permanently protected by a conservation easement or public ownership.
2. Summarize the components and expected outcomes of restoration and management plans for the parcels to be restored by your organization, how these plans are kept on file by your organization, and overall strategies for long-term plan implementation.
3. Describe how restoration efforts will utilize and follow the Board of Soil and Water Resources “Native Vegetation Establishment and Enhancement Guidelines” in order to ensure ecological integrity and pollinator enhancement.
4. Describe how the long-term maintenance and management needs of the parcel being restored with these funds will be met and financed into the future.
5. Describe how consideration will be given to contracting with Conservation Corps of Minnesota for any restoration activities.
6. Provide a statement indicating that evaluations will be completed on parcels where activities were implemented both 1) initially after activity completion and 2) three years later as a follow-up. Evaluations should analyze improvements to the parcel and whether goals have been met, identify any problems with

the implementation, and identify any findings that can be used to improve implementation of future restoration efforts at the site or elsewhere.

Environment and Natural Resources Trust Fund
M.L. 2017 Project Budget



Project Title: Contract Agreement Reimbursement

Legal Citation: *Fill in your project's legal citation from the appropriation language - this will occur after the 2017 legislative session.*

Project Manager: Katherine Sherman-Hoehn

Organization: Minnesota Department of Natural Resources

M.L. 2017 ENRTF Appropriation: \$135,000

Project Length and Completion Date: 1 Year, June 30, 2019

Date of Report: September 14, 2016

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Activity 1 Budget	Amount Spent	Activity 1 Balance	TOTAL BUDGET	TOTAL BALANCE
BUDGET ITEM	<i>Professional Services</i>				
Other	\$135,000		\$135,000	\$135,000	\$135,000
Professional Services This appropriation funds contract management services billed using a professional services rate (\$62/hr for FY17). The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, allocated administrative costs including rent and printing, as well as other related costs necessary to carry out the pass-through grant management program. Multiple staff with a variety of grants, financial or other responsibilities provide contract management services to ENRTF and OHF. Cost coding is used to record and differentiate time spent on ENRTF and OHF pass-through grant management. Services not received or provided will not be billed.					
COLUMN TOTAL	\$135,000		\$135,000	\$135,000	\$135,000

