

ML18 Project Abstract

For the Period Ending June 30, 2020

PROJECT TITLE: Contract Agreement Reimbursement

PROJECT MANAGER: Katherine Sherman-Hoehn

AFFILIATION: Minnesota Department of Natural Resources

MAILING ADDRESS: 500 Lafayette Road

CITY/STATE/ZIP: St. Paul, MN 55155-4010

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FUNDING SOURCE: Environment and Natural Resources Trust Fund

LEGAL CITATION: M.L. 2018, Chp. 214, Art. 4, Sec. 02, Subd. 012a

APPROPRIATION AMOUNT: \$135,000

AMOUNT SPENT: \$135,000

AMOUNT REMAINING: \$0

Sound bite of Project Outcomes and Results

This appropriation was used to support the ENRTF contract management program, which ensured that ENRTF grantees expended grant funds in compliance with state law, session law, approved work plans, and Office of Grants Management grants policies.

Overall Project Outcome and Results

This appropriation was used to support the ENRTF contract management program, which ensured that ENRTF grantees expended grant funds in compliance with state law, session law, approved work plans, and Office of Grants Management grants policies.

The DNR Grants Unit managed 71 grants active in FY 2019. In FY 2020, the Grants Unit managed 72 active grants.

Between 1/1/2019 when billing began and 06/30/2020 when it ended, the DNR Grants Unit:

- Made 194 reimbursements to grantees totaling \$7,702,401
- Finished executing 25 ML 2019 grant agreements
- Prepared 18 grant amendments for ENRTF grants extended due to COVID, including implementation of electronic signature process
- Billed 1,167 hours at the FY 2020 professional services rate of \$66.00/hr and 906 at the FY2019 rate of \$64/hr
- Monitored all grants in compliance with Office of Grants Management policies.

Project Results Use and Dissemination

Project personnel were in frequent contact with appropriation recipients and LCCMR staff. Information was disseminated through manuals, training sessions, orientations, meetings, memos, letters, emails, newsletter, and phone.



Environment and Natural Resources Trust Fund (ENRTF)

M.L. 2018 ENRTF Work Plan Final Report

Today's Date: December 11, 2020

Final Report

Date of Work Plan Approval: 6/5/2018

Project Completion Date: June 30, 2020

PROJECT TITLE: Contract Agreement Reimbursement

Project Manager: Katherine Sherman-Hoehn

Organization: Minnesota Department of Natural Resources

College/Department/Division: Office of Management and Budget

Mailing Address: 500 Lafayette Road

City/State/Zip Code: St. Paul, MN 55155-4010

Telephone Number: (651) 259-5533

Email Address: katherine.sherman-hoehn@state.mn.us

Web Address: <http://www.dnr.state.mn.us>

Location: Statewide

Total Project Budget: \$135,000

Amount Spent: \$135,000

Balance:

Legal Citation: M.L. 2018, Chp. 214, Art. 4, Sec. 02, Subd. 12a

Appropriation Language:

\$135,000 the second year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred for preparing and administering contracts for the agreements specified in this section. The commissioner must provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

I. 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.

II. OVERALL PROJECT STATUS UPDATES:

First Update January 31, 2019

The Grants Unit did not charge to the ML 2018 appropriation for contract management activities.

Amendment Request as of 08/30/2019

The DNR Grants Unit’s professional services rate is reviewed annually and has been set at \$66.00 for FY20. This is a \$2.00 increase from our FY 19 rate of \$64.00, which was a \$1.00 increase from our FY18 rate. This increase is necessary due to contractually- required staff salary increases. Per the work plan, we have the ability to change this at the beginning of the fiscal year.

Second Update August 31, 2019

The Grants Unit charged primarily to the ML 2017 appropriation for contract management activities, but the OMBS Grants Unit did charge \$57,984 to the appropriation.

Third Update January 31, 2020

The Grants Unit charged \$42,286, at \$66 dollars/hour, for this reporting period. Activities detailed below.

Final Update August 15, 2020

This appropriation was used to support the ENRTF contract management program, which ensured that ENRTF grantees expended grant funds in compliance with state law, session law, approved work plans, and Office of Grants Management grants policies.

The DNR Grants Unit managed 71 grants active in FY 2019. In FY 2020, the Grants Unit managed 72 active grants.

Between 1/1/2019 when billing began and 06/30/2020 when it ended, the DNR Grants Unit:

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- Monitored all grants in compliance with Office of Grants Management policies.

III. 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. Pre-award financial review of all non-governmental organizations in compliance with OGM policy.
 - l. Grant fiscal monitoring in compliance with OGM policy.
 - m. Provide/confirm information to assist with grantee audits.
 - n. 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 FY 20 is \$66/hr. If the rate changes for FY21 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 FY18 Professional Services rate is calculated based on 2.70 FTE. For FY19, the Grants Unit will be staffed at 3.45 FTE. An amendment will be submitted to reflect that when the FY19 rate is determined. The Professional Services Rate is calculated as follows:

Table 1: Professional Services Rate Calculation

	FY 18	FY 17	FY 16
Full Time Equivalents (FTE)	2.70	2.75	3.12
Salary and Fringe	\$ 261,470	\$ 233,200	\$ 244,049
Related Non-Salary Costs as Detailed in Table 2	\$ 6,600	\$ 25,921	\$ 36,292
Total Grant Unit Cost	\$ 268,070	\$ 259,121	\$ 280,341

Estimated billable hours (75% of staff time)	4228	4150	4716
Professional Services Hourly Rate (Total Cost/Billable Hours)	\$63.00	\$62.00	\$59.00

Table 2: Related Non-Salary Costs

	FY 18	FY 17	FY 16
Other Employee Costs (severance, worker's comp, unemployment)	0	\$ 574	\$ 2,575
Rent (allocated by average per FTE)	\$3,000	\$ 6,711	\$ 14,904
In-state Travel and Employee Development	\$500	\$ 1,152	\$ 1,104
Supplies/ Non-Capital Equip/Communications/Computer/Fleet (allocated by average per FTE)	\$3,100	\$ 5,746	\$ 4,846
*Agency Direct, Statewide, and Other Operating Costs (allocated by average per FTE)		\$ 11,737	\$ 12,863
Total	\$6,600	\$ 25,921	\$ 36,292

* 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: \$ 57,984
Balance: \$ 135,000

Description:

ENRTF BUDGET: \$

Outcome	Completion Date
1. Administration of Environment and Natural Resources Trust Fund pass-through contracts and reimbursements.	June 30, 2020

First Update January 31, 2019

The Grants Unit did not charge to the ML 2018 appropriation for contract management activities.

Second Update August 31, 2019

Activity began on the ML18 appropriation during this time period, in conjunction with the ML17 appropriation. Activities included contract management of 67 open grants. This included processing 25 new projects and completing annual monitoring on all active grants above \$250,000, plus any closing grant between \$250,000 and \$50,000, in compliance with Office of Grants Management requirements.

Third Update January 31, 2020

Activities included management of 72 active grants, completing 65 reimbursement requests for \$3,122,975, and continuing to execute ML 19 projects.

Final Update August 15, 2020

DNR staff created and executed ENRTF grant agreements and maintained corresponding grant files. Staff provided training and ongoing technical assistance to appropriation recipients. Staff reviewed and processed reimbursement requests in a timely manner and conducted financial reconciliations and monitoring as required by the Minnesota Department of Administration Office of Grants Management. DNR staff closed out grants in accordance with Office of Grants Management policy and LCCMR requirements.

IV. 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

Description:

First Update January 31, 2019

The Grants Unit is currently providing contract management activities under the ML 2017 appropriation, including technical assistance, training, and publications.

Second Update August 31, 2019

The Grants Unit is provided contract management activities under the ML 2017 and ML 18 appropriations, including technical assistance, training, and publications.

Third Update January 31, 2020

The Grants Unit provided an annual training webinar on the reimbursement manual, and published two issues of the Grants Unit newsletter for grantees.

Final Update August 15, 2020

Project personnel were in frequent contact with appropriation recipients and LCCMR staff. Information was disseminated through manuals, training sessions, orientations, meetings, memos, letters, emails, newsletter, and phone.

V. PROJECT BUDGET SUMMARY:

A. Preliminary ENRTF Budget Overview:

BUDGET ITEM (See "Guidance on Allowable Expenses")	AMOUNT
Personnel	\$ 135,000
Professional/Technical/Service Contracts	\$
Equipment/Tools/Supplies	\$
Capital Expenditures Over \$5,000	\$
Acquisition (Fee Title or Permanent Easements)	\$
Professional Services for Acquisition	\$
Printing	\$
Travel	\$
Additional Budget Items	\$
TOTAL ENVIRONMENT AND NATURAL RESOURCES TRUST FUND \$ REQUEST =	\$ 135,000

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

Explanation of Use of Classified Staff: Classified staff receive funds from this appropriation through the professional services rate included. The DNR Grants Unit is staffed as a professional services unit providing contract management; these positions did not exist prior to ongoing ENRTF and OHF appropriations for contract management.

Total Number of Full-time Equivalents (FTE) Directly Funded with this ENRTF Appropriation: 1

Enter Total Estimated Personnel Hours: 2073	Divide by 2,080 = TOTAL FTE: 1
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The DNR Grants unit supports 3.45 FTE and bills only for hours worked. ENRTF contract management is a portion of the total contract management work. Total hours estimated here are based on past years of funding and proportion of open grants.

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

Enter Total Estimated Personnel Hours:	Divide by 2,080 = TOTAL FTE:
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B. Other Funds:

SOURCE OF AND USE OF OTHER FUNDS	Amount Proposed	Amount Spent	Status and Timeframe
Other Non-State \$ To Be Applied To Project During Project Period:			

	\$	\$	
Other State \$ To Be Applied To Project During Project Period:			
	\$	\$	
Past and Current ENRTF Appropriation:			
ML2018 Contract Agreement Reimbursement	\$ 135,000	\$57,984	Dollars legally obligated and due to be spent before close of appropriation.
ML2017 Contract Agreement Reimbursement	\$ 135,000	\$135,000	
Other Funding History:			
	\$	\$	

VI. PROJECT PARTNERS:

A. Partners receiving ENRTF funding

Name	Title	Affiliation	Role
Becca Nash	Director	LCCMR	DNR manages contracts for ENRTF recipients

B. Partners NOT receiving ENRTF funding

Name	Title	Affiliation	Role

VII. LONG-TERM- IMPLEMENTATION AND FUNDING:

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. Ongoing contract management efforts will be funded through future ENRTF appropriations.

VIII. REPORTING REQUIREMENTS:

- The project is for 2 years, will begin on 07/01/18, and end on 06/30/20.
- 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, 2020.

IX. SEE ADDITIONAL WORK PLAN COMPONENTS:

A. Budget Spreadsheet

**Attachment A:
Environment and Natural Resources Trust Fund
M.L. 2018 Budget Spreadsheet**



Project Title: Contract Agreement Reimbursement

Legal Citation:

Project Manager: Katherine Sherman-Hoehn

Organization: Minnesota Department of Natural Resources

College/Department/Division: Office of Management and Budget Services

M.L. 2018 ENRTF Appropriation: \$135,000

Project Length and Completion Date 2 years, June 30 2020

Date of Report: December 11, 2020

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Activity 1 Budget	Amount Spent	Activity 1 Balance	TOTAL BUDGET	TOTAL BALANCE
BUDGET ITEM					
Other	\$135,000	\$135,000	\$0	\$135,000	\$0
Professional Services This appropriation funds contract management services billed using a professional services rate (\$66/hr for FY20). 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	\$0	\$135,000	\$0