



Environment and Natural Resources Trust Fund (ENRTF)

M.L. 2018 ENRTF Work Plan (Main Document)

Today's Date: February 16, 2018

Date of Next Status Update Report: January 31, 2019

Date of Work Plan Approval: 06/05/2018

Project Completion Date: June 30, 2020

Does this submission include an amendment request?

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: \$0

Balance: \$135,000

Legal Citation: M.L. 2018, Chp. 214, Art. 4, Sec. 02, Subd. 012

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: See Activity 1 below

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 FY18 is \$63/hr. If the rate changes for FY19 or subsequent fiscal years, the project manager will inform LCCMR staff immediately and an 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	FY16
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: \$ 0
Balance: \$ 135,000

Description:

ENRTF BUDGET: \$ 135,000

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

Second January 31, 2020

Final Update June 30, 2020

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>

First Update January 31, 2019

Second January 31, 2020

Final Update June 30, 2020

V. PROJECT BUDGET SUMMARY:

A. **Preliminary ENRTF Budget Overview:** See attached budget page

B. 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: 1.66

Enter Total Estimated Personnel Hours: 3444	Divide by 2,080 = TOTAL FTE: .166
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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:			
ML2017 Contract Agreement Reimbursement	\$ 135,000	\$0	Dollars legally obligated and due to be spent before close of appropriation.
ML2016 Contract Agreement Reimbursement	\$ 135,000	\$51,601	
Other Funding History:			
	\$	\$	

VI. PROJECT PARTNERS:

A. Partners receiving ENRTF funding

Name	Title	Affiliation	Role
none			

B. Partners NOT receiving ENRTF funding

Name	Title	Affiliation	Role
none			

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 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**
- B. Visual Component or Map**
- C. Parcel List Spreadsheet**
- D. Acquisition, Easements, and Restoration Requirements**
- E. Research Addendum**

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



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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: February 16, 2018

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND BUDGET	Budget	Amount Spent	Balance
BUDGET ITEM			
Other	\$135,000	\$0	\$135,000
Professional Services This appropriation funds contract management services billed using a professional services rate (\$63/hr for FY18). 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	\$0	\$135,000

