

**Delta Regional Authority
Close-Out Budget Congressional Justification
FY 2019**

<u>Source</u>	FY 2018	FY 2019	FY 2019	FY 2019
	Revised Proposed Budget	Approved Close-Out Budget	Over (Under) FY 2018 Rev Proposed Budget	Approved Close-Out Over (Under) FY 2018 Revised Proposed Budget % Inc (dec)
Federal Appropriations	\$ 26,364,304	\$ 2,458,000	\$ (23,906,304)	-90.7%
(Uses)				
Investments				
State Economic Development Assistance Program (SEDAP)	11,579,579	-	(11,579,579)	-100.0%
Congressionally Directed Infrastructure Fund - (CIF)	10,000,000	-	(10,000,000)	-100.0%
Emergency/Contingency Fund	500,000	-	(500,000)	-100.0%
Local Development Districts/Technical Assistance	594,400	544,000	(50,400)	-8.5%
Special Programs:				
Apprenticeship/Job Training	500,000	-	(500,000)	-100.0%
Regional Development Officers	-	-	-	#DIV/0!
	3,190,325	1,914,000	(1,276,325)	-40.0%
Total Federal Appropriations	\$ 26,364,304	\$ 2,458,000	\$ (23,906,304)	-90.7%

Administration

<u>Object Class</u>	FY 2018	100% of	FY 2019	FY 2019
	Revised Proposed Budget	Administrative Budget	Over (Under) FY 2018 Rev Proposed Budget	Approved Close-Out Over (Under) FY 2018 Revised Proposed Budget % Inc (dec)
Federal Salaries	\$ 330,027	\$ 175,188	\$ (154,839)	-46.9%
DRA Salaries	1,255,546	794,243	(461,303)	-36.7%
Federal Benefits	99,008	52,556	(46,452)	-46.9%
DRA Benefits	376,664	238,273	(138,391)	-36.7%
Monitoring and Compliance	40,000	50,000	10,000	25.0%
Contract Staff	161,400	-	(161,400)	-100.0%
Travel Federal Staff	32,680	39,995	7,315	22.4%
Travel Non-Federal Staff	150,000	100,000	(50,000)	-33.3%
Meetings and Public Engagement	60,000	-	(60,000)	-100.0%
Professional Services	300,000	161,400	(138,600)	-46.2%
Contractual Services	-	95,552	95,552	#DIV/0!
Insurance Non-Health Related	52,000	36,000	(16,000)	-30.8%
Communications and Outreach	40,000	-	(40,000)	-100.0%
Staff Development and Training	30,000	-	(30,000)	-100.0%
Printing and Publications	40,000	65,000	25,000	62.5%
Rents, Leases, Supplies & Materials	200,000	103,793	(96,207)	-48.1%
Equipment	23,000	2,000	(21,000)	-91.3%
Total Expenditures	\$ 3,190,325	\$ 1,914,000	\$ (1,276,325)	-40.0%

2/2/2018 16:10

FY 2019 Close-Out Assumptions

- In a close out scenario, 100% of DRA's funding would come from federal appropriations as the States will not pay an assessment if they are not going to receive any grants. Currently, the states pay 50% of DRA's administrative costs, less federal expenses. This burden now falls on the federal appropriation, therefore, in a close out scenario most expenses may be nearly doubled.
- We currently pay the local development districts (LDDs) 5% of the first \$100k and 1% over \$100k of grants awarded.
- DRA's Federal Co-Chair (FCC) is mandated by legislation. The FCC's signature will be required to terminate certain contracts, therefore, expenses for salary/benefits and travel is presented.
- DRA salaries represent 7 FTEs. Since the states will not pay 50% of Admin expenses under this scenario, the Fed participation is requested to fund positions through close-out. The first/last month of FY 2019 include termination pay as per policy. Staffing is reduced from 24 to 7 FTEs eff 11/1, then to 6 FTEs June 30, 2019.
- Monitoring & compliance costs will continue to ensure grantee compliance through close-out. This cost is principally travel-related & represent an estimated 350-375 active projects.
- Travel-non-federal represent half of the regular year travel as DRA wraps up activities and reduce staff from 24 to 6 FTEs. The other half was previously paid by the states.
- Professional services represent legal, audit, IT, & GSA financial management. DRA included the state unpaid portion in this line to cover lawyer preparation of contract termination negotiations and/or amendments.
- Contractual services represent anticipated termination costs. Unlike other contracts, these do not have appropriation clauses that allow us to terminate when not funded.
- Insurance-non-health has to be continued as long as we are in operation and have employees; includes liability, work comp, crime, fraud, fiduciary, bonding, etc.
- Some printing is required to produce reports required by the enabling legislation, Year in Review, Annual Report, etc. The unpaid state portion is also included.
- Building leases include non-appropriation clauses but will continue through the end of FY 2019. The unpaid portion of the state accounts for the increase plus equipment leases do not have such clauses.
- Equipment represent repairs to or disposal of office equipment.
- This close out requests \$2.5M to close out DRA for FY 2019.

FY 2018 Close-Out Assumptions

1. In a close out scenario, 100% of DRA's funding would come from federal appropriations as the States will not pay an assessment if they are not going to receive any grants.
Currently, the states pay 50% of DRA's administrative costs, less federal expenses. This burden now falls on the federal appropriation, therefore, in a close out scenario most expenses may be doubled.
2. We currently pay the local development districts (LDDs) 5% of the first \$100k and 1% over \$100k of grants awarded.
3. DRA's current FCC is projected to hold over through the end of FY 2018. The FCC's signature will be required to terminate certain contracts, therefore, expenses for salary/benefits and travel is presented.
4. DRA salaries represent 7 FTEs. Since the states will not pay 50% of Admin expenses under this scenario, the Fed participation is requested to fund positions through close-out. The first/last month of FY 2018 include termination pay as per policy. Staffing is reduced from 24 to 7 FTEs eff 11/1, then to 6 FTEs June 30, 2018.
5. Monitoring & compliance costs will continue to ensure grantee compliance through close-out. This cost is principally travel-related & represent an estimated 350-375 active projects.
6. Travel-non-federal represent half of the regular year travel as we wrap up activities and reduce staff from 24 to 6 FTEs. The other half was previously paid by the states.
- 7 Professional services represent legal, audit, IT, & GSA financial management. We included the state unpaid portion in this line to cover lawyer preparation of contract termination negotiations and/or amendments.
- 8 Contractual services represent anticipated termination costs. Unlike other contracts, these do not have appropriation clauses that allow us to terminate at-will.
- 9 Insurance-non-health has to be continued as long as we are in operation and have employees, liability, work comp, crime, fraud, fiduciary, bonding, etc.
- 10 Some printing is required to produce reports required by the enabling legislation, Year in Review, Annual Report, etc. The unpaid state portion is also included.
- 11 Building leases include non-appropriation clauses but will continue through the end of FY 2018. The unpaid portion of the state accounts for the increase plus equipment leases do not have such clauses.
- 12 Equipment represent repairs to office equipment.
- 13 This close out requests \$2.5M to close out DRA for FY 2018.