

**Delta Regional Authority (DRA)**  
**Congressional Justification for Close-Out Budget**  
**Fiscal Year 2021**

**Introduction**

President Trump submitted his Budget Blueprint to Congress proposing to eliminate funding for programs considered unnecessary, outdated, or not working. Delta Regional Authority (DRA) was proposed to be eliminated in that Budget. This narrative is presented as justification to the FY 2021 Budget Close-Out presented on page 2.

**Forward**

Currently, participating states pay 50% of DRA's administrative costs, less federal employees expenses. In a close-out scenario, 100% of DRA's funding would come from federal appropriations as the States will not pay an assessment when they are not going to receive grants, therefore, this burden falls on the federal appropriation and some expenses presented may be higher than usual.

**Source and (Uses) of Appropriations**

The attached budget table indicates the source and (uses) of DRA's federal appropriations and a detailed presentation of its close-out expenditures as follows:

- FY 2020 Approved Budget,
- FY 2021 Potential Close-Out Budget, and
- Comparison of FY 2021 Potential Close-Out Budget to FY 2020 Approved Budget.

**Format and Content**

DRA's administrative budget presentation on the attached table is presented in three sections:

1. "Source – Federal Appropriation and State Assessments",
2. "Uses and Investment" of that appropriation – Local Development Districts (LDD) Technical Assistance and,
3. "Administration" – Expenses classified at the major object class level.

<b>Delta Regional Authority</b>			
<b>Close-Out Budget Congressional Justification</b>			
<b>FY 2021</b>			
			<b>FY 2021</b>
		<b>FY 2021</b>	<b>Close-Out</b>
	<b>FY 2020</b>	<b>Proposed</b>	<b>Over (Under)</b>
	<b>Approved</b>	<b>Close-Out</b>	<b>FY 2020</b>
<b>Source</b>	<b>Approved Budget</b>	<b>Budget</b>	<b>Approved Budget</b>
Federal Appropriations	\$ 30,000,000	\$ 2,458,000	\$ (27,542,000)
State Assessments	1,173,914	-	(1,173,914)
<b>Total Federal and State Appropriations</b>	<b>\$ 31,173,914</b>	<b>\$ 2,458,000</b>	<b>\$ (28,715,914)</b>
<b><u>(Uses) &amp; Investments</u></b>			
State Economic Development Assistance Program (SEDAP)	12,277,108	-	(12,277,108)
Congressionally Directed Infrastructure Fund - (CIF)	15,000,000	-	(15,000,000)
Local Development District Technical Assistance	554,000	544,000	(10,000)
<b>Special Programs:</b>			
Apprenticeship/Job Training	500,000	-	(500,000)
<b>Administration</b>	<b>2,842,806</b>	<b>1,914,000</b>	<b>(928,806)</b>
<b>Total Federal Appropriations</b>	<b>\$ 31,173,914</b>	<b>\$ 2,458,000</b>	<b>\$ (28,715,914)</b>
<b>Administration</b>			
<b><u>Object Class</u></b>			
Federal Salaries	\$ 331,521	\$ 175,188	\$ (156,333)
Federal Benefits	99,456	52,556	(46,900)
DRA Salaries	909,098	794,243	(114,855)
DRA Benefits	272,729	238,273	(34,456)
Travel - Federal Staff	35,000	39,995	4,995
Travel - Non-Federal Staff	150,000	150,000	-
Professional Services/Contractual Services/Non-Health Insurance	680,000	292,952	(387,048)
Communications and Outreach	45,000	-	(45,000)
Professional Development	25,000	-	(25,000)
Rents, Leases, Supplies & Materials, printing, graphics	260,000	168,793	(91,207)
Equipment	35,000	2,000	(33,000)
<b>Total Expenditures</b>	<b>\$ 2,842,804</b>	<b>\$ 1,914,000</b>	<b>\$ (928,806)</b>

**Justification for Use of Federal Appropriation**

The Uses section describes congressionally mandated Local Development Districts Technical Assistance. DRA is obligated to fund the LDDs at \$2,000 for each of the 252 counties/parishes. ***This presentation does not address LDD support in out-years.*** The amount presented represents:

LDD Technical Assistance (252 counties/parishes at \$2,000/Each	\$ 504,000
Training (44 LDDs at \$900/Each	40,000
Total	\$ 544,000

**Administration**

Administration - funds necessary to shut the program down are presented below.

**Federal Salaries, Benefits, & Travel**

The Office of the Federal Co-Chairman (FCC) previously maintained four positions consisting of the Federal Co-Chairman, the Alternate Federal Co-Chairman, Chief Counsel, and Senior Advisor. This presentation eliminated all (3 positions) but the FCC, a Presidential appointee confirmed by the Senate. DRA has no control over federal salaries, benefits, & travel.

Salary - Federal (w/1.9% cola)				\$ 175,188
Benefits at 30%				52,557
Travel				39,995
Total				\$ 267,740

**DRA Salaries & Fringe Benefits—Non-Federal Staff**

Non-federal salaries and benefits begin the year with a full complement (1 federal and 11 non-federal employees-total 12) of approved positions for October through the first payday in November. The assumption is that DRA will have final directions by that time to shut down. Upon receipt, DRA will begin immediate terminations as follows: In November <sup>terminate</sup> 5 of the 12 positions leaving the following 7 positions to shut down operations:

- Federal Co-Chair – to direct overall directions of agency,
- Senior Technician – comply w/recordkeeping to archive all DRA correspondence/files/records,
- Finance – to continue recording all financial transactions, budget reports, and work with auditors,
- Monitoring/Compliance – to ensure grantees continue to follow policies/procedures relative to federal grants,
- SEDAP Mgr. – to ensure all grant files for the past 17 years are accounted, archived & comply w/recordkeeping,
- Chief of Staff – to direct remaining employees’ day-to-day activities and ensure progress on shut-down and,
- Human Resource Mgr. – to ensure DRA complies with HR policies during shut-down and assist with accounting and archival of all records. Federal expenses are as follows:

Salaries					\$ 536,553
Incentive pay					132,000
Severance pay					125,690
Sub-total Salaries					\$ 794,243

**DRA Fringe Benefits—Non-Federal Staff**

The effective fringe benefit rate is 30 percent of salaries representing mandated and voluntary salary-related expenditures as follows:

- FICA - (social security) at 6.2% of salaries up to \$127,200,
- Medicare - at 1.45% of salaries (no max),
- SUTA - State Unemployment Tax 3.06% of the first \$12,000 of salary/employee,
- Non-elective retirement 11.7% of total salary, and  
 Elective retirement (401k) effective rate of 3.2% of employees’ voluntary contribution (maximum match of 5%). Fringe benefits consist of:

Social Security					\$ 49,243
Medicare					11,517
State unemployment					8,446
Medical/health					50,725
Retirement					118,342
Total					\$ 238,273

**Travel - Non-Federal**

Travel includes mileage and/or fuel, rental vehicles, hotels, airfare, meals & incidentals, taxis, parking, etc., consisting mainly of trips to small rural towns, villages, and parishes without access to major public transportation (airlines, train) over 200,000 square miles, 252 counties/parishes, and over 500 cities/towns in an eight-state region. DRA’s footprint presents logistical challenges that necessitate vehicle travel.

Staff will travel to the three (DC, Little Rock and D.C. offices) branches to gather files, data, furniture, and equipment to bring inventory to the central office in Clarksdale, MS, to transfer, sell, and/or dispose of equipment per policy. Data on computers must be copied, archived and cleaned prior to disposal.

Travel for mandated LDD Technical Training					\$ 30,000
Airfare, hotels, per diem, mileage					40,000
Vehicle rentals to move/store equipment					10,000
Monitoring & Compliance					50,000
Auctioneer/3rd party to sell/dispose of equipment					20,000
Total Non-federal travel					\$ 150,000

**Professional Services**

Professional services are for specialists that provide a specific skillset not available with existing staff or temporary help. These services are time-limited but do not have non-appropriation clauses and will be amended to terminate during FY 2021. Such services consist of:

Policy & research				\$ 45,000
Public affairs				51,000
Website/social media				40,400
Custodial				25,000
Legal				35,000
Audit				25,000
Outsourced IT				13,000
GSA Financial Mgmt				22,552
Total				<u>\$ 256,952</u>

**Insurance—Non-Health**

This line item consists of liability, professional, property, inland marine, worker’s compensation, automobile, criminal, employee dishonesty, and fidelity insurance:

Liability				\$ 8,000
Property				3,000
Work Comp				5,500
Auto				19,500
Total				<u>\$ 36,000</u>

**Printing & Publications**

DRA will get the message out to its 44 LDDs, 252 counties/parishes, 8 state Governors, 16 Senators and a number of Representatives by communicating its shut-down policies and to complete projects as well as directions as to whom they will work with through completion of their projects and how to close them out. Such publications will include:

Year in Review/collateral materials				\$ 53,500
Internet/social media				6,500
Print ads				5,000
Total				<u>\$ 65,000</u>

**Rent & Leases**

The D.C. and Little Rock branch offices have termination clauses whereas the Clarksdale office and office machines do not. Rent and leases consist of:

Rent - D.C.			\$ 12,661
Rent - Clarksdale			57,848
Rent - Little Rock			10,584
Rent - Ofc machines			8,000
Rent - Telephones/fax/WIFI/internet			4,200
Postage			3,500
Office, general/custodial supplies			7,000
Total			<u>\$ 103,793</u>

**Equipment and furniture**

Equipment & furniture consist of repairs: \$2,000

**Total Administration Expenses** **\$1,914,000**

**Total Close-Out Budget** **\$2,458,000**