

9.22.16 BEDL committee notes

In addition to UCA's presentation there were two items of interest to the Cultural Sector:

Pass through grant management process // Heritage & Arts and GOED

Dr. Andrea Wilko (Chief Economist) introduced the topic: elected officials have asked what the reporting process is, added to the agenda so that they can ask committee members what they'd like to see in RFA process

Brian Somers, interim director of the Utah Department of Heritage and Arts first introduced, gave a quick presentation of agency budget. Around \$27 million total budget, \$6.8 million in competitive grants and ?? in pass through

Neil: spoke about the nature of DHA's disbursement process, relevant statutes, create a contract spelling out purpose of the pass through monies // once they receive a contract they send to state finance and within the first quarter funds are dispersed // If less than \$25K entire amount is dispersed in 1st quarter, for larger, typically split out in quarterly payments unless a request for accelerated disbursement schedule // state auditor requires multiple reports as well as GOMB requires reports; 2 FY16 appropriations had problems: (Ogden Rail Museum Authority, didn't yet have nonprofit status nor a bank account & Freedom Festival, expanded the scope of their contract beyond the bounds that was distributed); also 2 FY17 recipients haven't received funding because of failure to respond (Topaz Museum and Desert Star Theatre)

Brian spoke about Competitive Grants // \$6.8 million is distributed through 4 of 5 divisions // grants awarded in 27 of 29 counties, nearly 450 grants awarded

Rep. Barlow had question about accelerated disbursement schedule // Brian's response: statutes requires quarterly payments but they do occasionally make exceptions (Utah Symphony Mighty 5 was one); even then, they still have to hold back some funds to be disbursed quarterly because of statute

Rep. Pitcher: For orgs that don't yet have nonprofit status, are there ways to make it work within the time frame?

Somers: Rail Museum was a unique, first-time situation, the appropriation statute

Pitcher: what can we do to prevent issues such as this?

Dr. Wilko: We don't typically ask in the form if they have nonprofit status and/or a bank account. Dr. Wilko suggested the committee might want to ask that to the form. The form is also not readily apparent about the check box regarding asking for non lapsing authority.

Pitcher: Surprised about lack of response from Topaz because funds were needed to finish their building. Especially considering it was a significant amount of money.

Somers: It is odd that there has been zero response. This is not the first time. Once an organization was not aware they had received the funds because the legislature asking for the appropriation did it without asking the organization.

Barlow: this report is a foundation for what we're looking for. It would be nice to have a valid marker on requests perhaps stating that the organization is in fact a 501(c)3. Should we require that?

Somers: Believes so. With remaining time we'd like to talk about the differences between the pass through process and the competitive grants process. Pros of the competitive grant process:

- Open and competitive process
- Peer/expert review
- All awards approved by governor-appointed board or commission
- Transparent process (applications and documents are publicly available)
- Full statutory compliance
- Reporting required
- There are supplied metrics and data
- Dept. offers many professional services and consultations with staff (such as Museums with museums specialist)

The RFA process doesn't include these pros because they are handled entirely by finance team.

Sen. Shiozawa: What are some of the concerns that might crop up before January?

Somers: We are currently putting forth our budget requests to the governor and will be speaking with the committee about soon. There are security concerns because of the location of their offices in the Rio Grande.

Shiozawa: We have done some adjustments for security, is that not enough?

Somers: The situation changes, there are new problems that we haven't dealt with before.

Barlow: The parking lot is a big issue. How can you fix that?

Somers: We've added three pedestrian gates. One does need to be open during the day because it doesn't have a key card or magnetic lock. Trying to get that accelerated. Working on parking arms, but the construction process is taking a long time. Security hours and quantity of staff/cameras/lighting have all increased.

RFA's

Sen. Shiozawa: Our committee sees an extraordinary number of RFAs. Sen. Shiozawa is asking the committee if they would like to hear the early requests early in the session rather than after the deadline passes.

Rep. Arent: The mad dash at the end doesn't make sense. We're often throwing millions around without careful analysis. Anything we can do to improve the process and be more thoughtful is welcome. She welcomes more feedback from staff on the requests. There seems to be some chaos with orgs who aren't even communicating on the money they asked for.

Rep. Pitcher agreed.

Rep. Barlow: Improved/standardized form would be welcome. Perhaps have some restrictions such as requiring a 501(c)3, perhaps bid proposals.

Sen. Shiozawa: Sometimes an organization both runs a bill and asks for an appropriation, which can be confusing. It is maddening with the rush at the end of the session.

Sen. Bramble suggested that because nonprofit receiving public monies are already required to do so much reporting to the auditors department, the committee could request those reports. Also made the point that some changes to the form might not incorporate all types of organizations.

Notes: It appeared that the majority of the committee seemed open to making changes to the FRA process.