# DGLVR Webinar CD Spending and 5-year agreement update

3/28/2019 Starts at 9am



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#### **Background**

- DGLVR Program provides funding to conservation districts through 5-year agreements.
- The current agreement (new agreement) covers the period from July 1, 2018 through June 30, 2023.
- The previous agreement (old agreement) covers the period from July 1, 2013 through June 30, 2018 (extended

to 2019)

#### DIRT, GRAVEL AND LOW-VOLUME ROAD MAINTENANCE PROGRAM AGREEMENT

This Dirt, Gravel and Low-Volume Road Maintenance Program Agreement is entered into by and between the Commonwealth of Pennsylvania ("Commonwealth"), through the Department of Agriculture ("Department") and the State Conservation Commission ("Commission"), with of Agriculture ("Department") and the State Conservation Street, Harrisburg, PA 17110, and the their principal offices located at 2301 N. Cameron Street, with its principal offices located at Conservation District, with its principal offices located at 2301 N. Cameron Street, with its principal offices located at 2301 N. Cameron Street, with its principal offices located at 2301 N. Cameron Street, with its principal offices located at 2301 N. Cameron Street, with its principal offices located at 2301 N. Cameron Street, with its principal offices located at 2301 N. Cameron Street, which is principal

#### **Background: Old 5-year Agreement**

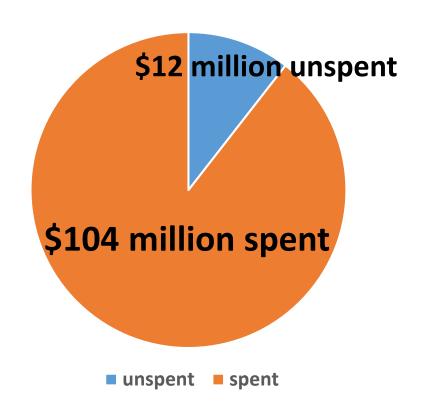
- CDs voiced concerns about ability to spend funds before end of 5-year agreement on 6/30/2018, primarily due to time needed to develop capacity after funding increase and addition of LVR component.
- SCC staff worked with Comptroller to obtain a 1-year extension to old 5-year agreement to 6/30/2019.

#### **Background: Old 5-year Agreement**

- Originally, funding from old agreement had to be spent by 6/30/2018.
- Terms of extension from comptroller from 6/30/2018 to 6/30/2019:
  - CDs were given until 6/30/2018 to enter contracts into GIS system.
  - CDs were given until 6/30/2019 to complete the contracts.

#### **Status:**

- All funding from old 5-year agreement out of SCC and in CD accounts (\$116 million)
- CDs holding \$12 million (10.3%) that needs to be spent by 6/30/19 under the extension (as of 3/27/19).



 Three potential categories CDs could fall into on 6/30/2019

**Green: Old funds spent out** 

YELLOW: <u>Unspent</u> old funds remaining, but everything committed to contract.

RED: Unspent and <u>Uncommitted</u> old funds remaining

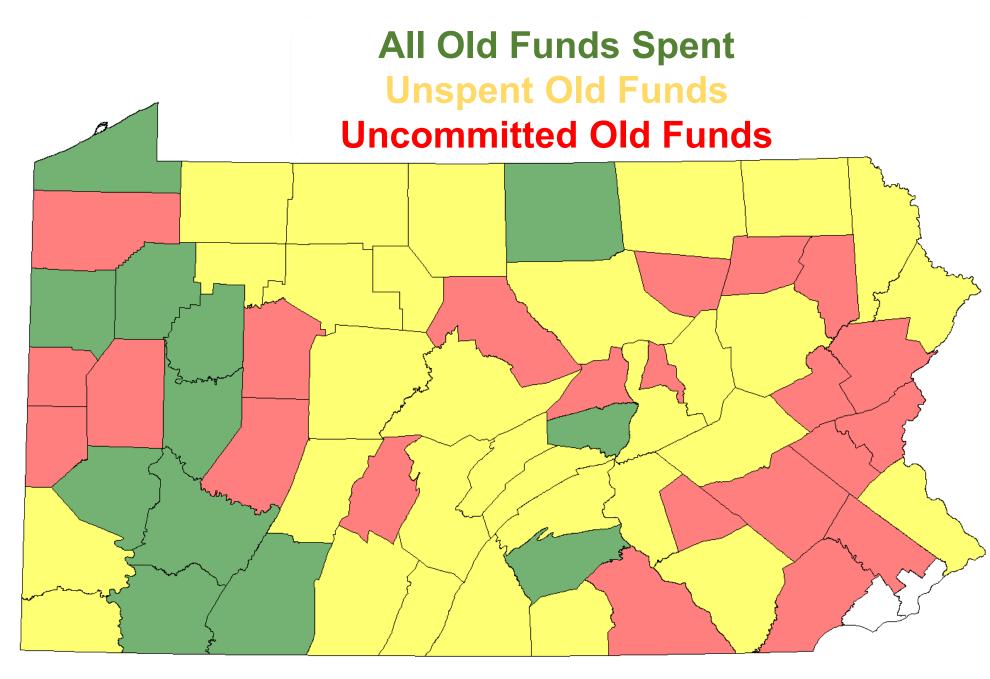
**Good – no action required** 

Did not meet spending requirement

Did not meet spending requirement

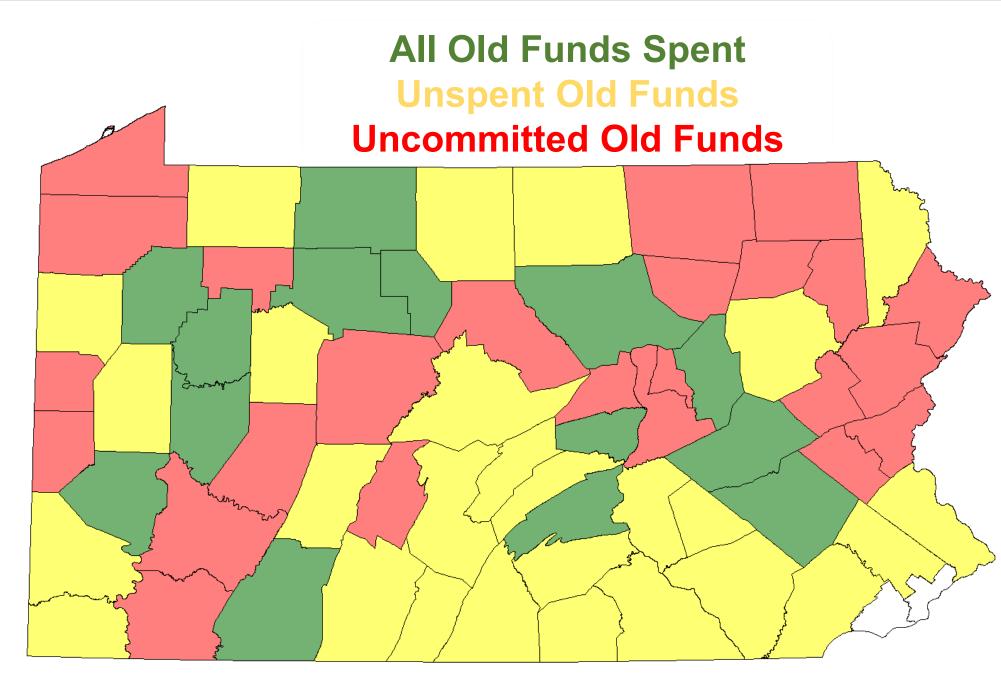
#### **DnG Status:**

- DnG CDSpendingStatus
- As of3/27/19



#### **LVR Status:**

- LVR CDSpendingStatus
- As of3/27/19



- As of 3/27/2019 in the DGLVR GIS system:
  - \$37.2 million under contract
  - \$12 million of that (32%) is from old 5-year agreement
- Much of that \$12 million likely to be spent by 6/30/2019.
- But likely some will be unspent on 6/30/2019

 Several CDs have inquired about additional extensions beyond 6/30/2019

 Given leniency of comptroller in granting current 1-year extension, and the amount of work SCC/CDGRS staff have put into educating and informing CDs over past 18 months, staff does not believe this would be an appropriate request.

 Several CDs have inquired about additional extensions beyond 6/30/2019

 Given leniency of extension, and th have put into edu months, staff does appropriate request. ADDITIONAL
TIME
EXTENSIONS?

rent 1-year RS staff ver past 18

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 Three potential categories CDs could fall into on 6/30/2019

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**Good – no action required** 

Did not meet spending requirement

Did not meet spending requirement

 Two potential categories of not meeting 6/30/19 spending YELLOW: <u>Unspent</u> old funds remaining, but everything committed to contract.

RED: Unspent and <u>Uncommitted</u> old funds remaining

 SCC/CDGRS had several meetings with Policy and Planning Advisory Workgroup to develop recommended actions for CDs not meeting spending requirements

RED: Unspent and <u>Uncommitted</u> old funds remaining

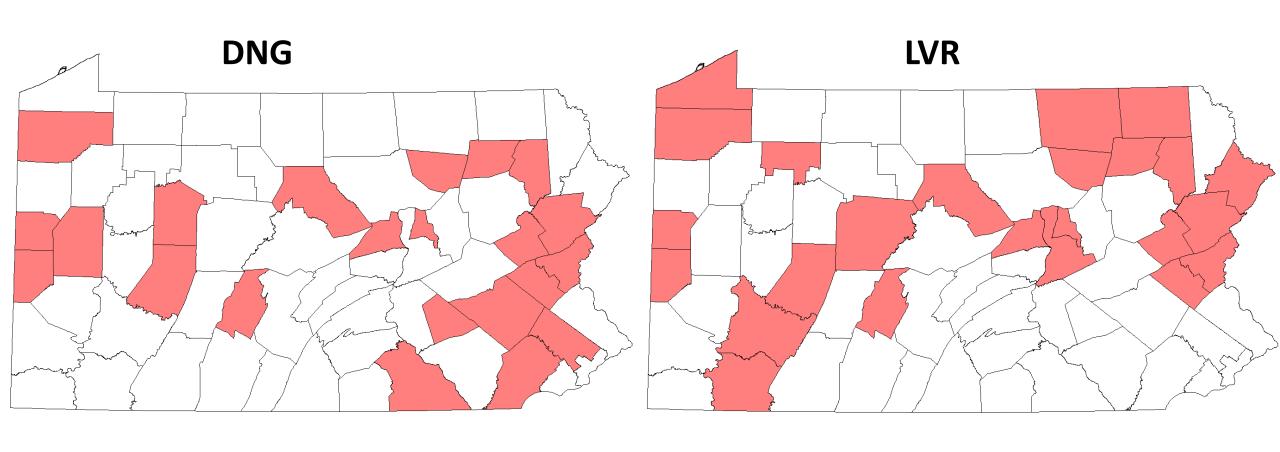
#### SCC Action 1/3:

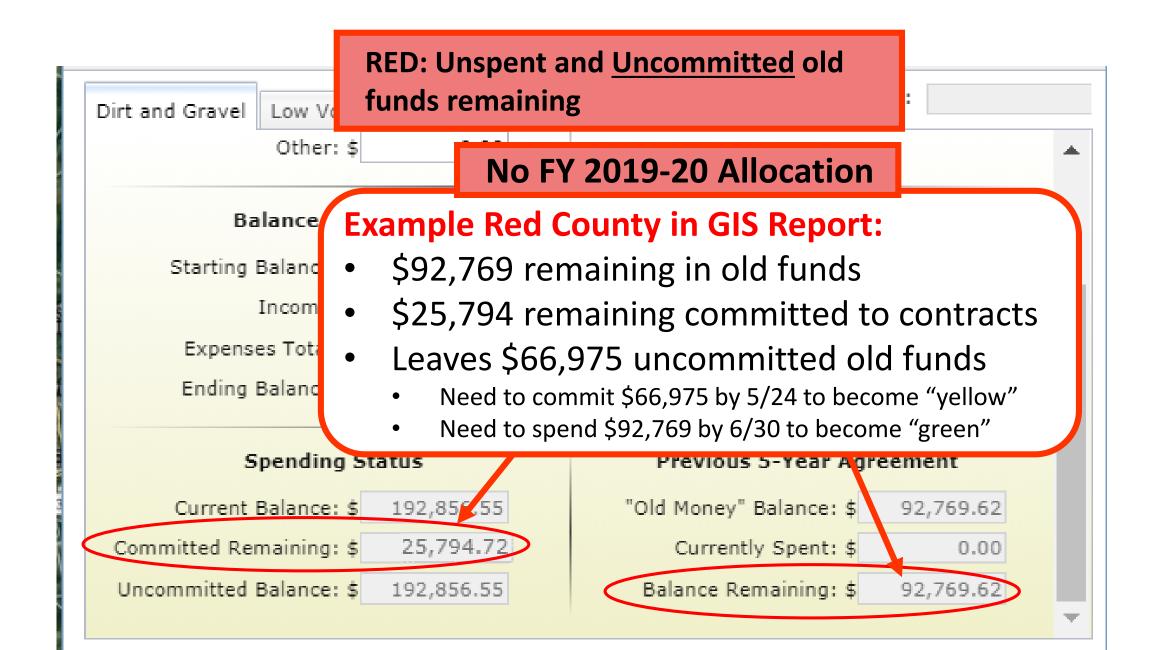
- Give CDs until May 24<sup>th</sup> to enter all contracts into GIS.
- After May 24<sup>th</sup>, CDs that have not committed all their funds under the old agreement (Red Category) should not be eligible for a FY 2019-2020 Allocation.
- These CDs may be eligible for an allocation in FY 2020-21 if they meet the spending requirements at that time.

Note DnG and LVR funds handled separately, a CD could be eligible for both, one or the other, or neither.

#### Current "Red" Counties (uncommitted old funds)

(Status below as of 3/27, have until 5/24 to commit more funds)





#### SCC Action 2/3:

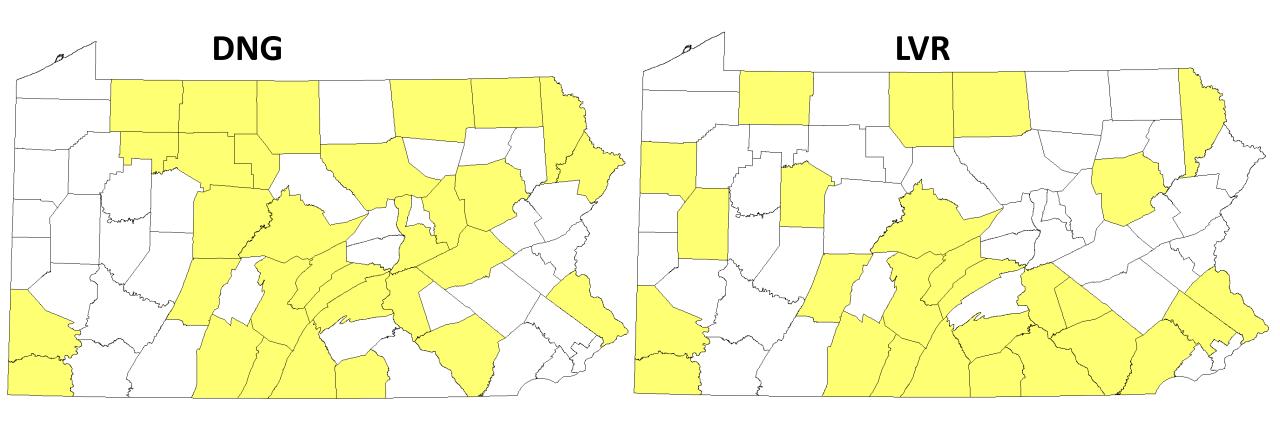
YELLOW: <u>Unspent</u> old funds remaining, but everything committed to contract.

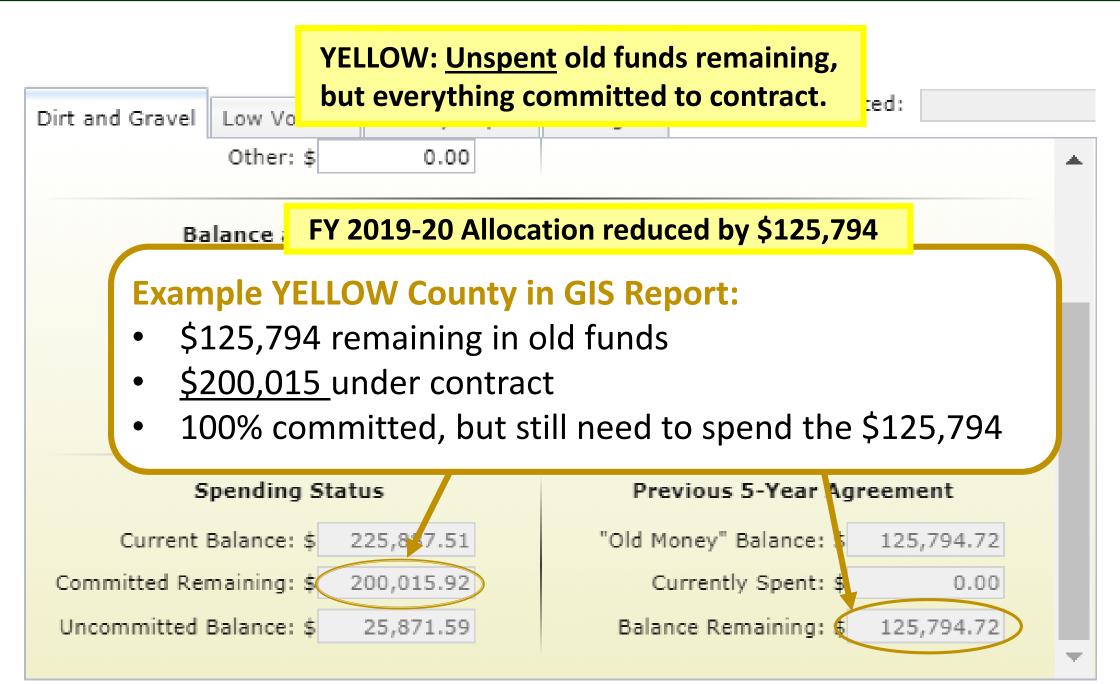
- Counties have until 6/30/2019 to spend old funds.
- Any CD who committed but did not spend old funds by 6/30/2019 (Yellow Category) should have their FY 2019-2020 allocation reduced by the amount of unspent funds.

Note DnG and LVR funds handled separately, a CD could be eligible for both, one or the other, or neither.

### Current "Yellow" Counties (committed but unspent old funds)

(Status below as of 3/27, have until 6/30 to commit more funds)





YELLOW: <u>Unspent</u> old funds remaining, but everything committed to contract.

#### SCC Action 3/3:

RED: Unspent and <u>Uncommitted</u> old funds remaining

Any funds that are not allocated to a (Red or Yellow) conservation district, as per recommendations 1 & 2 above, would be reallocated to other eligible (green) conservation districts for FY 2019-20.

Note DnG and LVR funds handled separately, a CD could be eligible for both, one or the other, or neither.

#### Note:

### **Typical Allocation Timeline**

- SCC approved in May
- Wait for State Budget Approval
- CDs receive advances late August (w/ on-time State Budget approval)

### Allocation Timeline This Year (to allow for eligibility determinations on 6/30/2019)

- SCC approved in July
- CDs receive advances late September (w/on-time State Budget approval)

#### **SCC Action Items**

1) Uncommitted old funds = no FY 2019-20 allocation

RED: Unspent and <u>Uncommitted</u> old funds remaining

2) Unspent (but committed) old funds = reduced FY 2019-20 allocation by amount of unspent funds.

YELLOW: Unspent funds.

remaining but every serious process.

YELLOW: <u>Unspent</u> old funds remaining, but everything committed to contract.

3) Any funds withheld from CDs would be reallocated to eligible (green) CDs for FY 2019-20.

Note DnG and LVR funds handled separately, a CD could be eligible for both, one or the other, or neither.

#### **Spending Tips**

- Complete existing projects
- Make new contract and advance funds
- Additional progress payments on contracts (must hold 30%)
- Claim admin / education expenses
- Keep GIS up to date

### **Question**: What happens if a project comes in under budget?

- CDs only get credit for what was actually spent
- Fund another shovel-ready project or expand on this or another existing project.
- Funding gap could be made up by funding for other projects
- Last minute admin/edu expenses for small amounts

#### **Question:** Can I advance more than 50% to twps.?

- Yes, but only if they have spent the 50%.
- Could do another payment for 20%
- In all cases, at least 30% must be held until project completion

#### **SCC DGLVR Statement of Policy:**

For the purpose of dispersing funds to a project participant under a project agreement, the district may process an advanced working capital payment as follows:

- (1) Upon the full execution of the project agreement, the district may process an advanced payment to a project participant of up to 50% of the approved project expenses.
- (2) Subsequent payments to the project participant will be made on an actual cash expended basis.
- (3) In all cases, the district shall withhold payment of at least 30% of the approved project expenses until the satisfactory completion of the project. Final payment for the project expenses shall be made only after a final inspection by the district determines that the work was performed consistent with the project application and the work plan, and to the satisfaction of the district.

#### Question: Do projects need to be finished by 6/30/19?

#### **Depends on your situation:**

- Counties with enough other projects in the pipeline to advance money to meet requirements: No, projects do not have to be completed by 6/30/19
- Counties relying on old projects to meet spending requirements (not a lot in the pipeline): Yes, only expenditures before 6/30/19 will count towards spending requirements

Priority is on spending old funds, not necessarily completing old projects.

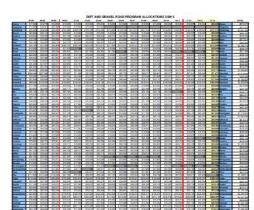
#### **Question:** Can I just ask for an extension?

June 30, 2019 is already a 1-year extension from the comptroller



## **Question:** Where does money not received by CDs who don't meet spending requirements go?

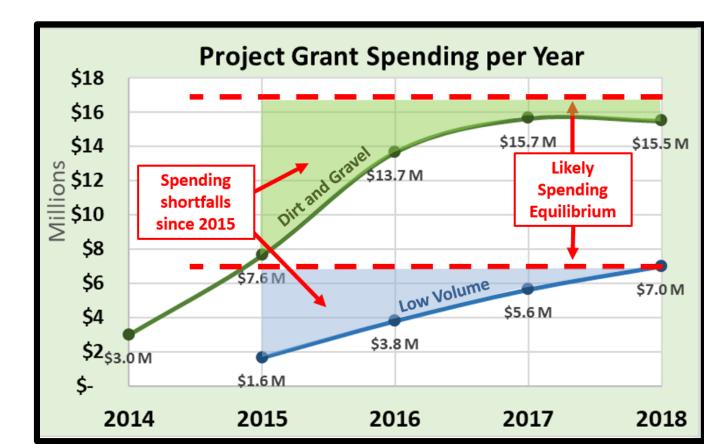
- Get automatically allocated to other CDs who have met spending requirement.
- Shifts funding to where it can be used.
- Same procedure used since 2001



	DIRT AND GRAVEL ROAD PROGRAM ALLOCATIONS 5/2013																		
	97-98	98-99	99-00	00-01	61-62	02-03	63-04	64-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14		TOTAL
Adams	\$17,900	\$19,758	\$18,620	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$45,000	\$15,000	\$16,667	\$18,333	\$28,000	Adams	\$276,275
Alloghooy	\$17,600	\$19,511	\$20,299	\$15,000	100	\$15,000	\$15,000											Alleghony	\$117,410
Armstrong	\$45,200	\$49,425	\$50,098	\$104,36	15	\$115,725	\$112,454	\$113,965	\$129,192	\$127,973	\$127,412	\$127,412	\$126,851	\$129,487	\$142,307	\$150,347	\$171,474	Ametrong	\$1,941,435
Beaver	\$23,800	\$26,142	\$24,806	\$15,00	10	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$16,667	\$18,333	\$28,000	Beaver	\$294,746
Bedford	\$49,800	\$54,383	\$53,172	\$133.16	17.	\$40,921	\$39,844	\$40,379	\$41,391	\$41,022	\$40,843	\$40,843	\$40,663	\$41,522	\$45,327	\$50,211	\$53,940	Biedford	\$748,294
Davis	\$18,100	\$19,958	\$18,958	\$15	_	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$45,000	\$15,000	\$16,667	\$18,333	\$28,000	Berks	\$277,016
Otair	\$28,100	\$30,857	\$29,013	\$25,723	<u>/</u> 20	\$20,408	\$20,067	\$20,337	\$20,914	\$20,773	\$20,682	\$20,682	\$20,591	\$20,985	\$20,548	\$20,366	\$28,000	Bisir	\$383,295
Bradford	\$25,100	\$27,656	\$32,409	\$289,142	65,795	\$322,536	\$313,675	\$317,892	\$316,377	\$315,337	\$313,955	\$313,955	\$3/12,573	\$319,094	\$302,968	\$290,289	\$275,000	Bradford	\$4,395,772
Bucks	\$18,300	\$20,254	\$19,933	\$17,332	50	\$19,252	\$18,736	\$18,988	\$16,750	\$16,604	\$16,531	\$16,531	\$16,458	\$16,793	\$17,790	\$18,966	\$28,000	Bucks	\$289,226
Butter	\$20,500	\$22,573	\$22,936	\$29,931	\$30,414	\$31,760	\$30,881	\$31,296	\$0	\$30,098	\$29,966	\$29,966	\$29,834	50	\$0	50	\$31,349	Butter	\$371,504
Cambria	\$23,200	\$25,500	\$24,601	\$16,464	\$15,158	\$15,000	\$15,000	\$15,000	\$15,291	\$15,158	\$15,090	\$15,090	\$15,023	\$15,347	\$16,816	\$18,465	\$20,457	Cambria	\$296,750
Carseron	\$53,000	\$57,898	\$54,803	\$53,088	\$43,727	\$33,281	\$33,085	\$33,530	\$33,529	\$33,386	\$33,240	\$33,240	\$33,094	\$33,680	\$28,921	\$25,976	\$21,331	Cameron	\$638,808
Carbon	\$17,900	\$19,827	\$10,193	\$26,762	\$26,158	\$25,133	\$24,571	\$24,902	\$26,166	\$25,955	\$25,642	\$25,842	\$25,728	\$26,238	\$24,034	\$22,130	\$28,000	Carbon	\$405,380
Centre	\$34,300	\$37,617	\$36,041	\$36,564	\$34,701	\$34,079	\$33,219	\$33,665	\$33,866	\$33,576	\$33,428	\$33,428	\$33,281	\$33,977	\$31,300	\$29,295	\$26,569	Centre	\$568,905
Chester	\$28,400	\$31,215	\$29,845	\$20,618	\$19,170	\$18,149	\$17,751	\$17,989	\$17,321	\$17,181	\$17,106	\$17,106	\$17,030	\$17,379	\$18,163	\$19,151	\$28,000	Chester	\$343,576
Clarion	\$55,800	980,896	\$60,383	\$63,912	\$63,092	\$64,658	\$62,903	\$63,749	\$61,561	\$50,990	\$60,722	\$60,722	\$60,455	\$61,745	\$65,569	\$69,108	\$72,718	Clarion	\$1,068,981
Clearfield	\$209,400	\$227,586	\$219,493	\$78,887	\$71,938	\$57,430	\$65,926	\$56,812	\$67,703	\$67,166	\$66,871	\$66,871	\$66,577	\$67,947	\$67,911	\$50,845	\$71,671	Clearfield	\$1,619,032
Clinton	\$25,900	\$28,490	\$26,850	\$26,343	\$24,364	\$22,910	\$22,404	\$22,705	\$23,132	\$22,948	\$22,646	\$22,848	\$22,747	\$23,210	\$26,727	\$31,599	\$33,374	Cliaton	\$429,400
Columbia	\$27,900	\$30,649	\$30,653	\$71,857	\$75,641	\$79,868	\$77,591	\$78,634	\$80,222	\$79,468	\$79,119	\$79,119	\$70,771	\$80,410	\$78,947	\$79,253	\$77,524		\$1,185,627
Crawford	\$95,500	\$104,209	\$104,664	\$139,687	\$140,457	\$145,181	\$142,102	\$144,012	\$149,008	\$147,591	\$146,944	\$146,944	\$146,256	\$149,425	\$150,206	\$153,676	\$153,822	Crawford	\$2,360,826
Cumberland	\$17,700	\$19,622	\$18,180	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$16,667	\$18,333	\$28,000	Cumberland	\$275,502
Dauphie	\$23,500	\$25,986	\$24,233	\$26,711	\$25,272	\$23,247	\$22,789	\$23,096	\$23,773	\$23,599	\$23,496	\$23,496	\$23,392	\$23,843	\$22,446	\$21,328	\$28,000	Dauphio	\$400,308
ER:	\$32,100	\$35,156	\$33,900	\$27,791	526,008	\$25,367	\$24,750	\$25,000	\$24,449	\$24,238	\$24,132	\$24,132	\$24,025	50	\$26,570	\$20,449	\$38,561		\$436,710
Erie	\$25,900	\$28,471	\$30,776	\$55,327	\$54,526	\$56,958	\$55,334	\$56,078	\$50,000	\$53,308	\$53,075	\$53,075	\$52,841	\$53,997	\$57,803	\$60,535	\$62,840	Eirie	\$864,674
Fayette	\$50,100	\$54,700	\$53,221	\$36,306	\$30,756	\$33,023	\$32,182	\$32,614	\$32,750	\$30,468	\$32,300	\$32,326	\$32,183	\$32,867	\$34,801	\$38,223	\$39,754	Fayette	\$633,599
Forest	\$34,900	500,000	\$36,381	\$26,734	504,000	521,693	\$21,274	\$21,560	\$21,571	\$21,414	\$21,320	521,320	521,226	\$21,651	\$21,251	\$21,091	\$20,364		\$416,018
Franklin	\$23,000	\$25,275	\$23,540	\$20,326	\$17,854	\$15,090	\$15,000	\$15,000	\$15,423	\$15,328	\$15,261	\$15,261	\$15,194	\$15,480	\$16,904	\$18,520		Franklin	\$302,454
Futton	\$26,400	\$29,049	\$27,697	\$30,945	\$30,447	\$30,389	\$29,616	\$30,014	\$30,635	\$30,368	\$30,235	\$30,235	\$30,102	\$30,722	\$29,269	\$20,446	\$26,676		\$501,445
Greene	\$55,500	\$60,689	\$60,030	\$23,243	\$26,578	50		\$37,974	\$38,325	\$37,971	\$37,805	\$37,805	\$37,639	\$38,466	\$51,764	\$67,079	\$80,835	Gireese	\$729,277
Huntingdon	\$84,900	\$70,816	\$68,203	\$71,138	\$70,768	\$70,507	\$68,731	\$69,655	\$72,694	\$72,068	\$71,752	\$71,752	\$71,437	\$72,888	\$66,714	\$61,983	\$57,550	Muntingdon	\$1,173,557
indiana	\$94,500	\$102,958	\$100,532	\$88,819	\$86,412	\$90,516	\$80,028	\$89,211	\$94,371	\$93,510	\$93,101	\$93,101	\$92,691	\$94,638	\$93,580	\$95,312	\$94,074	indiana	\$1,587,454
Jefferson	\$49,500	\$54,068	\$54,127	\$45,406	\$43,584	\$44,485	\$40,251	\$43,832	\$45,828	\$45,399	\$45,200	\$45,200	\$45,001	\$45,978	\$50,602	\$55,056	\$58,895	Jefferson	5816,412
Junists	\$40,100	\$43,840	\$41,630	\$41,521	\$39,091	\$35,209	\$35,480	\$35,957	\$36,440	\$36,166	\$36,007	\$36,007	\$35,849	\$36,550	\$31,022	\$25,130	\$20,557	Aurolata	\$608,556
Lackawanna	\$43,200 \$41,600	\$47,294 \$45,489	\$45,722 \$44,414	\$31,369 \$19,021	\$29,915 \$17,843	\$28,927 \$16,969	\$28,240 \$16,580	\$28,620 \$16,803	\$28,835	\$28,596 \$16,765	\$28,471 \$16,692	\$28,471 \$16,692	\$28,346 \$16,618	\$28,926 \$16,955	\$27,958	\$27,505	\$26,362 \$20,000	Lackawanna	\$536,757 \$376,237
Lawrence	\$25,100	\$27,598	\$25,899	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$16,667	\$10,333	\$28,000	Lawrence	\$298,597
Lebion Lebion	\$15,400	\$17,128 \$34,695	\$15,596	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000 \$26,876	\$15,000 \$26,534	\$15,000 \$26,313	\$15,000	\$15,000	\$15,000	\$15,000 \$26,500	\$16,667 \$25,023	\$18,333	\$20,000	Lebigh Lebigh	\$268,124
	\$75,900	582,721	579.921	\$32,501	\$28,310	525,081	524,608	\$24,939	\$25,274	\$25,094	524,984	524,984	534,674	\$25,378	529,493	534,140	\$38,002		\$390,152
Lycoming	\$33,400	536,613	\$37,048	\$78,311	579,809	\$83,734	581,354	582,447	\$83,789	\$82,993	\$82,630	\$82,630	582,266	584,010	\$83,229	\$85,150	\$83,880		\$826,202 \$1,263,293
McKean		522 205															535,823		
Mercer	\$20,100 \$51,700	\$56,418	\$21,056 \$55,236		\$22,046 \$48,121			\$22,037 \$47,839	\$21,509 \$48,053	\$21,316 \$47,624		\$21,222 \$47,416		\$21,567 \$48,182	\$26,592 \$45,757	\$31,583 \$43,549	\$40,779		\$395,597
Willia	\$31,000	\$33,932						\$20,993	\$21,023	\$20,905						\$20,405	\$20,000		\$819,028
Monroe	\$24,100	\$26,522			\$16,826			50	50	50	50	50	\$15,000	\$15,000	\$16,667	50	\$20,000		\$400,999
Montgomery	\$16,200	\$17,975			\$15,000			\$15,000	\$15,000	\$15,000		\$15,000		\$15,000	\$16,667	\$18,333		Montgomery	\$209,884 \$270,906
Wontour	\$15,200	\$16,837						\$17,934	\$18,056	\$17,885		\$17,807		\$18,090	\$18,651	\$19,402		Montour	\$299,605
Northampton	\$18,000	519.862						50	50	50	\$15,000	\$15,000		50	50	50		Northempton	\$161,500
Northumberia	\$15,700			\$41,685				\$47,440			\$47,899		\$47,688		\$44,768			Northumberla	\$646,600

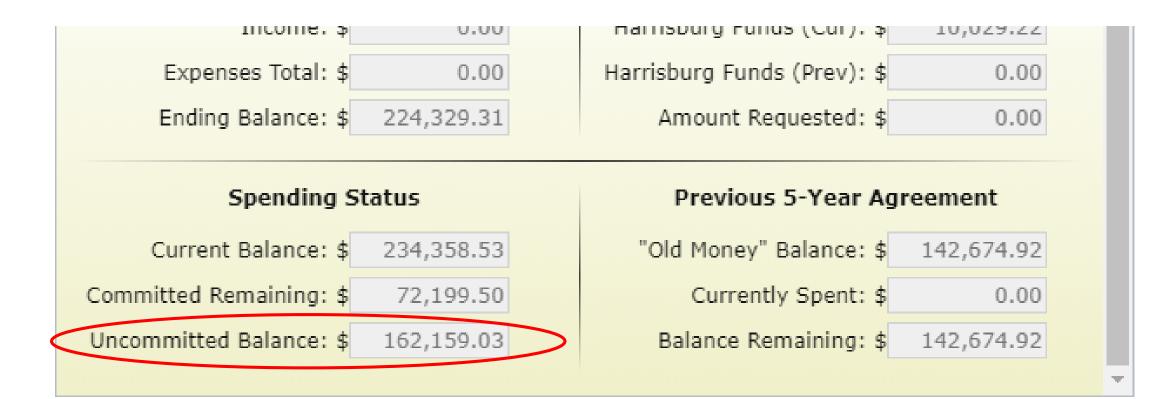
### **Question:** What if weather prevents us from completing projects?

- SCC Policy still applies
- Advances on new projects count towards spending requirements



### **Question**: How to I pay for staff with a reduced or no allocation?

 CDs who don't meet spending requirements have at least 1 years worth of allocation unspent.



## **Question:** How will allocations change next year for eligible counties?

- Unknown, many influencing factors:
  - DnG Only: Unpaved Road Assessments
  - DnG Only: FY 2019-20 is year two of a three year phase-in of DnG allocation formula change
  - DnG and LVR: How many counties will have reduced or no allocation for FY 2019-20?

#### Please keep your GIS up to date:

- Quarterly Report Due 4/15
- Keep up to date with contracts and payments
- SCC / CDGRS monitoring regularly to help CDs

Contact Roy, Justin, or Ken with inquiries about your individual CD status