

Research Plan: Post-Award and Implementation Process for State Grants

Research Manager: TBD

Lead Research Associate: TBD

Support:

Deputy Executive Director Approval: Initial: Date:

Executive Director Approval: Initial: Date:

Purpose

Review the post-award and implementation processes for Recreation Educational Services grants made by the Tennessee Department of Environment and Conservation (TDEC) to local governments and identify any changes warranted to streamline these processes so that grants may be more effectively utilized.

Background

In 2016, the city of Oak Ridge was awarded a Recreation Educational Services grant from TDEC to partially offset the cost of renovating the main sports fields used by the city’s local school system. However, the city found that the processes required to draw down grant funds after the award had been made involved hundreds of hours of staff and volunteer time to meet what the city has characterized as seemingly overly burdensome and changing stipulations. The resulting years-long delay in finishing the project was not only a source of frustration for the city and the public but also for private sector donors who had helped provide matching funds for the project.

The city contacted Senator Yager in December 2020 and requested that the Commission conduct a study that includes an examination of the costs in time, labor, and money involved in the post-award and implementation processes for state grants to local governments. The city’s request relays similar examples of frustration faced by other local governments, though not all of those examples involve TDEC or Recreation Educational Services grants.

The post-award and implementation phase for grants “comprises a significant amount of work over the duration of the award dates, which includes implementing the grant, reporting progress, and completing the closeout requirements,” according to a general overview available from the federal government. While the overview notes that “the majority of award recipients carry out the grants ethically and efficiently,” the processes and procedures they are tasked with following during this phase are intended “to maintain transparency and to prevent fraud and abuse.”

Define the Problem

If processes for managing the post-award and implementation phase of grants awarded to local governments are too burdensome, they may have the unintended consequence of adding costs to and delaying the process of drawing down grant funds and completing projects; however, if these processes are not stringent enough, it will become difficult to confirm compliance with grant requirements or identify cases of fraud and abuse.

Assemble Some Evidence

- Review study request from the city of Oak Ridge and the specific experience that led to it.
 - Interview officials with Oak Ridge regarding their concerns.
 - Interview Tennessee Department of Environment and Conservation staff regarding TDEC’s post-award and implementation processes for Recreation Educational Services grants.
- Interview other stakeholders, including but not limited to the following:
 - Tennessee Municipal League;
 - Tennessee County Services Association;
 - Tennessee Municipal Technical Advisory Service;
 - Tennessee County Technical Assistance Service
 - local officials, including officials from
 - cities in urban areas,
 - cities in rural areas,
 - counties in urban areas, and
 - counties in rural areas;

- Tennessee Department of Finance and Administration; and
 - Tennessee Comptroller of the Treasury.
- Review applicable state statutes, rules, and regulations and any recent changes that have been made to them.
- Review applicable federal statutes, rules, and regulations that could affect grants awarded by the state using federal funds.
- Review any similar laws, regulations, and initiatives in other states.
- Review relevant literature.
- Review relevant data.
- Identify and interview subject matter experts.

Proposed Research Timeline



SENATOR KEN YAGER

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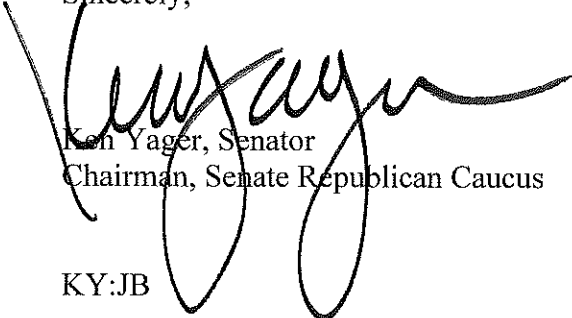
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FINANCE, WAYS AND MEANS
STATE AND LOCAL GOVERNMENT
JOINT FISCAL REVIEW
ETHICS
TACIR

Friday, January 22, 2021

Members of the Commission:

Attached is a letter from Oak Ridge City Manager, Mark Watson, detailing costly delays experienced by the City after it was awarded a grant from the Tennessee Department of Environment and Conservation. A review of the post-award and implementation process is worthy of this body's time and consideration so that other municipalities may see their implementation process streamlined and state grants be more effectively utilized as a result. I ask that this body work with the City to conduct a review, develop streamlining recommendations, and report to the Commission its findings.

Sincerely,



Ken Yager, Senator
Chairman, Senate Republican Caucus

KY:JB



December 15, 2020

The Honorable Ken Yager
Senator, District 12
Tennessee General Assembly
425 5th Avenue North
Suite 704 Cordell Hull Bldg.
Nashville, TN 37243

Request for TACIR Review of Tennessee Grant Management Requirements

Dear Chairman Yager:

The Oak Ridge City Council unanimously adopted the *City of Oak Ridge, Tennessee 2021 State Legislative Agenda* at their December 14th meeting. Among the approved items is a request that the Tennessee Advisory Council on Intergovernmental Relations (TACIR) work with affected cities to review and recommend reforms to the state's grant management requirements.

This request is a priority for the City due to the challenges faced over the past four years while applying for, and implementing, a Local Parks and Recreation Fund (LPRF) grant. Based on this experience, we believe the grant program should be systematically examined to enhance the "Efficiency and Effectiveness of Grants in Tennessee."

In 2016, the City applied for a grant in the amount of \$500,000 for installation of synthetic turf at the City's main sports field used by the Oak Ridge School system. The Tennessee Department of Environment and Conservation's (TDEC) Recreation Education Services Division Awarded a grant in the amount of \$496,000 for renovations at the field. The grant was matched by a local Foundation established to raise funds for the field's improvements

The funds, totaling roughly \$1 million, were used to make a number of upgrades to the facility, including, but not limited to installation of synthetic turf, concrete walkways, synthetic track, new fencing, signage for the Cedar Hill Greenway trail head, and additional restrooms. The TDEC grant included a stipulation that the entire facility be open for public use during nonevent times. Per that requirement, Blankenship Field and its amenities is now operated like a City park, meaning it will be open to the public from dawn until dusk every day. The only exception is during scheduled sporting events or other scheduled community activities that may take place inside the facility throughout the year. The City has coordinated with the Oak Ridge Board of Education to create a joint operational agreement for management and maintenance of the stadium facilities moving forward.

Regrettably, the grant approval process took much longer than anyone anticipated, causing years-long delays in gaining approvals for enhancements and use of the site. The grant contract requirements were very onerous, and hundreds of hours of staff and volunteer time

Chairman Yager
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were spent seeking to meet seemingly overly burdensome and changing stipulations. For instance, the City had to "tote the note" on costs to be reimbursed by the designated grant. The first reimbursement request from Oak Ridge to TDEC-RES ended up being submitted no less than five times over a five-month period! These were submitted by experienced finance professionals that had to re-write submittals.

In addition, we faced increasing frustration from the private sector donors who helped provide matching funds. They could not understand why the process moved so slowly.

City staff has heard examples from other Tennessee cities of construction that required rebuilds at community expense for minor items. Some TDOT Enhancement projects go through the same process as designing an Interstate Interchange as for a ten-foot bike trail.

One city we spoke to expressed frustration with the lack of communication among the various state departments administering their grants, or even sections within the same department. They remarked about spending time filling out duplicate paperwork, completing redundant Title VI training sessions, etc.

Another city administrator observed long delays in processing their community's LPRF grant. The announcement of award and check presentation was in July of 2018. They did not receive a contract until July of 2019 and that was after several phone calls and an escalation. They experienced numerous problems working with the state's website named Smart Simple, commenting that "there is NOTHING smart or simple about this website!" Information had to be re-submitted on several occasions, and even though their project was completed in September 2020, the final reimbursement remains outstanding. There are likely many other examples.

The purpose of the proposed TACIR study would be to examine the costs in time and labor and money in implementing such grants once they are designated. Thank you for your consideration of this request, and if TACIR proceeds, my staff will be available to provide information, answer questions, or assist in any way. Feel free to contact me at (865) 425-3550 should you need additional information.

Respectfully Yours,



Mark S. Watson
City Manager