

**Background**

It's been a bustling spring in the admin world of the Sierra Nevada Conservancy (SNC), especially in the areas of Grants Administration, budget planning and close-out, and media services.

**Current Status – Grants Administration**

**Close-outs of Grants Awarded in 07-08:** In 2007-2008 SNC awarded its first round of Proposition 84 grants, executing 146 agreements totaling \$16.9 million of work throughout the Sierra Nevada Region. As we bring this round of grants to closure, we are happy to report that 118 of those projects have been fully completed. Many of our grantees were able to complete their work at a cost lower than expected, saving nearly \$500,000. SNC approved short contract extensions for 11 of the remaining 28 projects to allow them to complete their projects if the additional time is needed due to circumstances largely beyond the control of the grantee. Six projects have been or are in the process of being terminated in full due to the inability of the grantee to complete the project. Five projects are being terminated partially completed due to various problems. The remaining 6 projects are waiting for final reporting and/or invoices and are expected to close with all deliverables completed.

As shown in the table below, these project close-outs have resulted in the release of some funds that were previously awarded. While these numbers are a somewhat moving target, we currently estimate that a total of approximately \$2.5 million will be disencumbered from 2007-08 grant awards and made available for use in current and future grant rounds. Per prior Board direction, \$2 million of these funds is being added to the \$5 million already allocated for the 2011-12 Healthy Forests grant awards.

	Number of Grants	Disposition	Funding Released
	118	Completed	\$476,000
	11	Short contract extensions	Not yet known
	6	Termination in full – no work completed	\$1,868,000
	5	Partial termination	\$107,000
	6	Awaiting final reports/invoices	Not yet known
<b>Total</b>	<b>146</b>		<b>\$2,451,000</b>

**Audits:** SNC responded to the audit of 4 grantee organizations by the Department of Finance (DOF). After consideration of DOF recommendations and considerable additional investigation on its own, the SNC has taken the following actions:

- Requested the recovery of \$10,548 associated with one double-billing error.
- Communicated directly to audited grantees the SNC's support of DOF findings regarding compliance with grant agreement terms and conditions related to recordkeeping and distribution of administrative charges.
- Updated the 12-13 grant guidelines and grant application package to clarify and highlight audit and recordkeeping expectations of grantees.

- Created a helpful “Managing Your Grant” booklet that includes a sample cost allocation plan that grantees may use to help guide them toward a successful project and audit outcome in the future. This booklet will be posted on the SNC web site and will be used by SNC staff as they work with grantees.

The SNC has yet to respond to one of the audits, pending receipt of information requested from the grantee.

### **Current Status – Staffing**

The Grants Administration team has been joined by a new staff person, Matthew Daley. Matthew comes to the SNC with significant project planning and technology experience and is working on becoming a Certified Associate in Project Management (CPAM) in June. Matthew is a graduate of the University of Nebraska with a Major in Economics (specializing in Agricultural Policy) and a Minor in Spanish.

### **Current Status – Budget**

The Governor released the May Revise, identifying an additional \$6.5 billion budget shortfall in the general fund, above the \$9.2 billion projected in January. This resulted in the proposal of a variety of additional cuts to be implemented as of July 1, 2012. The changes that affect SNC include the proposal to reduce state employees pay by 5% with a commensurate cut in hours worked. Under this proposal state offices such as the SNC’s would be closed on Fridays and employees would work a 9.5 hour/day, 4 day work week. This cut is for the 2012-13 fiscal year and is the subject of negotiations with the various union organizations. Staff is assessing the impact of other policy proposals dealing with the use of external personal services contracts and the hiring of temporary help. The Governor also reported the permanent elimination of an additional 11,000 positions. SNC budget staff participated in the finance drill that identified historic vacancies for reduction; no SNC positions were affected as a result of this action.

General year-end activities are also underway, preparing for the new fiscal year and closing out the old. SNC is on track with its expenditures pending final execution of several interagency agreements. Final fiscal year 2011-12 budget close-out numbers will be reported in the September 2012 board report.

### **Current Status – Media Activities**

Media activities continue to expand including:

- Local media outlets have been prepped about the projects which are being presented to the Board for funding today, so that should they be approved for funding, reporters can immediately begin contacting the awardees to develop stories.
- The LA Times has been working with SNC and The Nature Conservancy on a major story about how protecting wildlife corridors and working landscapes is part of a “new land ethic” that values ranching heritage and fragile ecosystems. This story, published by the Times May 5, and picked up by several other newspapers, is highlighting the Rudnick Ranch acquisition, a project the Board approved in the first grant round, as the final piece of a 179,000 acre puzzle connecting the coastal

range with the Sierra Nevada range for plant and wildlife migration protection, and including a partnership of private, state, and federal agencies.

- Several editorial board meetings have been held with Executive Officer Branham and the Redding Record Searchlight and the Chico Enterprise Record, respectively, to ensure they are aware of our programs and plans for the Sierra Nevada Region.
- The Geotourism MapGuide Project with National Geographic and the Sierra Business Council, has received favorable news media coverage leading up to the summer travel season.

**Recommendation**

**This is an informational item only; no formal action is needed by the Board at this time, although Board members are encouraged to share their thoughts and comments.**

2011-12 SNC EXPENDITURES AND ENCUMBRANCES				
April 30, 2012				
State Operations				
<i>Personal Services</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
SALARIES AND WAGES	1,756,215	1,453,471	302,744	83%
STAFF BENEFITS	559,031	501,888	57,143	90%
<b><i>Personal Services, Totals</i></b>	<b><i>\$2,315,246</i></b>	<b><i>\$1,955,359</i></b>	<b><i>\$359,887</i></b>	<b><i>84%</i></b>
Operating Expenses & Equipment				
<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>	
GENERAL EXPENSE	204,638	120,298	84,339	59%
TRAVEL - IS	51,000	25,126	25,874	49%
TRAVEL - OS	-	-	0	0%
TRAINING	37,500	14,052	23,448	37%
FACILITIES	259,723	209,211	50,512	81%
UTILITIES	10,222	8,928	1,294	87%
CONTRACTS- INTERAGENCY AGREEMENT	1,218,247	1,087,992	130,255	89%
CONTRACTS- EXTERNAL	163,968	151,810	12,159	93%
INFORMATION TECHNOLOGY	104,620	76,947	27,673	74%
CONSOLIDATED DATA CENTER	-	-	-	0%
EQUIPMENT	-	-	-	0%
OTHER ITEMS OF EXPENSE	16,850	15,243	1,607	90%
PRO RATA (control agency costs)	159,658	159,658	0	100%
<b><i>Operating Expenses &amp; Equipment, Totals</i></b>	<b><i>\$2,226,426</i></b>	<b><i>\$1,869,265</i></b>	<b><i>\$357,161</i></b>	<b><i>84%</i></b>
Local Assistance				
<i>Appropriation</i>	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
2007 Original Appropriation (reapprop 11/12)	17,000,000	15,176,251	1,823,749	89%
2008 Original Appropriation (reapprop 11/12)	17,000,000	12,935,921	4,064,079	76%
2009 Original Appropriation * (3rd yr/3 yr enc)	15,448,000	9,008,490	6,439,510	58%
	<i>Budgeted</i>	<i>Expended</i>	<i>Balance</i>	<i>% Spent</i>
<b><i>State Operations</i></b>	<b><i>4,541,672</i></b>	<b><i>3,824,624</i></b>	<b><i>717,048</i></b>	<b><i>84%</i></b>
<b><i>Local Assistance</i></b>	<b><i>49,448,000</i></b>	<b><i>37,120,662</i></b>	<b><i>12,327,338</i></b>	<b><i>75%</i></b>
<b>SNC EXPENDITURES, TOTALS</b>	<b><i>\$53,989,672</i></b>	<b><i>\$40,945,286</i></b>	<b><i>\$13,044,386</i></b>	<b><i>76%</i></b>

\* Of the \$10 million awarded during the 10/11 fiscal year and funded by the 09/10 fiscal year appropriation, one project remains to be encumbered at \$1,000,000. It is pending completion of appraisal activities.