

4-101 Authority for Strategy Allotments and Program Expenditures

The Board's delegation of authority under this policy to the Chief Executive Officer is limited. It is the intent of the Board to retain responsibility for acting on the budget setting and grant awards process using program account monies. Additionally, when the Chief Executive Officer does exercise authority related to strategy allotments and grant contracts under this policy, the Board requires that the approval and its fiscal impact be expressly delineated as part of the financial update provided to the Board by or at its next regular meeting.

In adopting this policy, the Board also wants to make clear that while multi-year contracts are an option, they are not an option the Board believes should be used except on a very limited and case by case basis where significant rationale for such an agreement is present. The Board believes, as a result of its annual budgeting process and the declining revenue source for the agency, that annual contracts with options for renewal are a more prudent fiscal instrument at this time. However, a multi-year agreement might make sense, for example, when another government agency is actively seeking a multi-year agreement to accommodate its process realities or to allow potential future grant renewals for a grantee to align with the out fiscal year cycle when their original engagement starts close to the end of the current fiscal year.

FUNDING PLAN (STRATEGY ALLOTMENTS)

Initial Approval:

Regional--

“Each regional partnership council shall annually develop a regional plan for expenditure during the next fiscal year of funds budgeted [allocated] by the Board ... to meet the needs identified in its region.” (A.R.S. § 8-1161.D)

“Each regional partnership council shall submit its annual regional funding plan to the board for approval The board shall have discretion to approve or reject a council's plan in whole or in part or to require revisions.” (A.R.S. § 8-1161.D.3)

“After its regional plan has been approved by the board, each regional partnership council shall conduct the approved programs directly and/or make the approved grants” (A.R.S. § 8-1161.E)

In accordance with this statutory language, initial approval of regional plans (known as Funding Plans) will be given by the Board.

Statewide--

“The early childhood development and health board may ... Authorize expenditure of funds ... to operate programs and services provided directly by the board [or] to fund statewide grant programs” (A.R.S. § 8-1192.B.1)

“... from the program account ... no more than ten percent may be used to fund statewide grants or programs directly by the board pursuant to section 8-1192.” (A.R.S. § 8-1185.A)

The budget documents required under A.R.S. § 8-1184.B.3.(b)-(c) serve as the basis for

establishing the Statewide Program Budget. This portion of the overall budget can be viewed as the Statewide Funding Plan. Approval of the Statewide Program Budget (Statewide Funding Plan) will be given by the Board.

Amendments:

Regional and Statewide --

All changes and updates to Regional Funding Plans or the Statewide Program Budget must be approved by the Board, except as follows.

The Chief Executive Officer may approve the following Regional Funding Plan amendments, if requested by a Regional Council:

- Using a region's unallotted monies (known as unallotted allocations) to provide additional support to a strategy already in the Regional Funding Plan.
- Using a region's unallotted monies to support a statewide strategy at the regional level regardless of whether the strategy is already in the Regional Funding Plan.
- Moving some or all of a region's allotted monies from a strategy already in the Regional Funding Plan to another strategy already in the Regional Funding Plan as long as the adjustment does not exceed the greater of \$100,000 or 10% of the region's allocation (A.R.S. § 8-1185).

Following the allocation of funds, those funds are classified as allotted or unallotted. Allotted funds are directed to a strategy area and reported as part of a Funding Plan. Unallotted funds are not directed to a specific strategy and are available for future allotment to a strategy.

The Chief Financial Officer may correct clerical errors in allotment amounts presented in funding plans and may approve nomenclature adjustments that properly define or align strategy allotments within an approved funding plan. These corrections and adjustments shall be reported to the Board as well.

GRANT CONTRACTS

Initial Approval/Award:

Regional--

“Each regional partnership council shall forward to the board all of the grant proposals it has received, along with its recommendations for which grants should be awarded” (A.R.S. § 8-1173.D)

“The board shall have discretion to approve or reject a regional partnership council's recommendation, in whole or in part.” (A.R.S. § 8-1173.E)

In accordance with this statutory language, all regional grant awards must be originally approved by the Board.

Statewide --

“The early childhood development and health board may ... Authorize expenditure of funds ... to fund statewide grant programs” (A.R.S. § 8-1192.B.1)

The Board will approve all initial awards of statewide grants.

Regional and Statewide --

If the Board approves a multi-year grant contract, meaning that the contract has a fixed term exceeding one year, then the contract does not need to be re-approved by the Board each year of the original contract term. A multi-year contract can be budgeted and accounted for according to the appropriate fiscal year allotments (such action has immediate impact on future year funding plans) and award amounts. If the Board approves a multi-year contract, then the contract should include an appropriate termination for lack of funding clause.

No-Cost Rollovers/Extensions:

Sometimes a grantee has unspent grant funds at the end of a fiscal year or contract term. In those cases, FTF may wish to allow the grantee to use that unspent money to complete the remainder of the scope of work. A rollover refers to letting unspent funds that were dedicated to a particular fiscal year carry over into the next fiscal year. An extension refers to lengthening the contract term beyond the original termination date so that the grantee can use the unspent funds. No-cost refers to the fact that no new money is given to the grantee, just more time.

Regional --

The Chief Executive Officer may approve a no-cost rollover or extension, if requested by a Regional Council.

Statewide --

Due to the limitations of A.R.S. § 8-1185.A, no-cost rollovers and extensions will not generally work for statewide grants.

Amendment:

Regional and Statewide --

Generally speaking, the Scope of Work of a competitive grant award contract cannot be changed without rebidding the grant or renegotiating the agreement. However, there are some Scope of Work modifications that do not require rebidding or renegotiation. These circumstances do not require Board action.

For example, the Chief Executive Officer may approve the following amendments to regional grant contracts if recommended by the Regional Council in consultation with the Chief Program Officer or designee and to statewide grant contracts if recommended by the Chief Program Officer:

- Including elements or components of work or service areas that were part of the Scope of Work in the RFGA, but which were not included in the grant contract.
- Clarifying data related to the service units and/or standards of practice (SOP) required under the Scope of Work.
- Increasing the award amount so that the grantee can provide the services under an existing Scope of Work to additional children/participants by up to 10 percent of the existing annualized award, though not to exceed \$500,000.

- Reducing the amount of the grant award.

The Chief Executive Officer may also approve amendments to regional grant contracts if recommended by the Chief Program Officer in order to include elements or components of work or service areas that were part of the Scope of Work in the RFGA, but which were not included in the grant contract.

The Chief Financial Officer may correct clerical errors to award amounts and/or distributions. If necessary, the Chief Executive Officer may amend grant contracts to correct these clerical errors. Any corrections or contract amendments due to clerical errors shall be reported to the Board as well.

Renewal:

Regional and Statewide --

A renewal refers to continuing a contract with a grantee for another term and providing more funds to the grantee. A typical grant contract starts with a one year term and an option for two renewals. Grant contract renewals require Board approval.

Termination and Suspension:

Regional and Statewide --

FTF shall follow applicable administrative procedures established by the State of Arizona, including due process, when terminating or suspending a grant agreement for performance deficiencies. An important element of due process is documentation of performance deficiencies and process improvements discussed with the grantee.

Any action should be considered on a case by case basis, based on the documentation and the best interests of FTF and the community receiving the benefit of services.

Termination or suspension of a grant contract may be recommended by FTF staff to a Regional Council in the case of a regional award or to the Chief Program Officer in the case of a statewide award. The Chief Executive Officer may approve a suspension if recommended by a Regional Council or the Chief Program Officer, as applicable. The Chief Executive Officer shall give notice to the Board of any suspension.

A grantee may appeal the Chief Executive Officer's decision to suspend a contract to the Board. In order to appeal, the grantee shall submit a notice of appeal to the Board within 30 days after the grantee receives notice of the Chief Executive Officer's decision.

PROGRAMS DIRECTLY CONDUCTED BY FTF

Approval/Expenditure:

Regional --

“After its regional [funding] plan has been approved by the board, each regional partnership council shall conduct the approved programs directly and/or make the approved grants” (A.R.S. § 8-1161.E)

“The early childhood development and health board may: ... Contract with any private

party and enter into interagency and intergovernmental agreements pursuant to title 11, chapter 7, article 3 with any public agency.” (A.R.S. § 8-1192.B.4)

In accordance with this language, once the Board approves a Regional Council’s Funding Plan, the Council may conduct directly the programs found in the Funding Plan. The Chief Executive Officer may approve the budget and expenditure of money for these programs conducted directly and may enter into contracts appropriate for carrying out this authority.

Statewide --

“The early childhood development and health board may: ... Authorize expenditure of funds ... for programs and services to enhance the quality of or access to early childhood development and health opportunities for Arizona children. These funds may be used to operate programs and services provided directly by the board ...” (A.R.S. § 8-1192.B.1)

“The early childhood development and health board may: ... Contract with any private party and enter into interagency and intergovernmental agreements pursuant to title 11, chapter 7, article 3 with any public agency.” (A.R.S. § 8-1192.B.4)

After the Board approves the Statewide Funding Plan, FTF staff may conduct directly the programs and services found in the Funding Plan. The Chief Executive Officer may approve the budget and expenditure of money for these programs and services conducted directly and may enter into contracts appropriate for carrying out this authority.

Regional and Statewide --

The budget for conducting a program or service directly may be less than the amount allotted for the strategy.

The expenditures for programs and services conducted directly are subject to FTF’s normal administrative structure and procurement practices.

Adopted September 28, 2010

Revised October 3, 2017