

December 27, 2012

The Honorable Michelle Fischbach, Chair
Legislative Coordinating Commission
15 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

The Honorable Kurt Zellers, Vice-Chair
Legislative Coordinating Commission
351 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

Dear Senator Fischbach and Representative Zellers:

RE: Laws of 2011 (Fiscal Year 2012) Outdoor Heritage Fund Contract Management

Laws of Minnesota 2011, 1st Special Session, Chapter 6, Article 1, Section 2, Subdivision 6. Administration, (a) Contract Management provided \$175,000 the first year to the commissioner of natural resources for contract management duties. The Commissioner shall provide documentation on the expenditure of these funds.

As of June 30, 2012, \$13,285 of this appropriation was expended. In addition, \$114,680 was expended from the Laws of 2010 appropriation for a total cost of \$127,965 for fiscal year 2012. Contract management costs were billed using a professional services rate of \$60/hr. The professional services hourly rate includes salary and fringe for grants management staff, supervisory time, travel costs, supplies, and related costs necessary to carry out the pass-through management functions.

DNR contract management services include:

1. Preparing and executing grant agreements, amendments, and use of funds agreements
2. Encumbering/unencumbering funds
3. Advancing funds for land acquisition, when approved
4. Communicating regularly with Council staff and grant recipients (informally and formally)
5. Improving processes to increase efficiency and ease for grantees while ensuring fiscal integrity
6. Managing contract documentation.

The DNR considers customer service a high priority. A survey was sent to 91 pass-through grant recipients in July to obtain feedback on grantees' satisfaction level with various grants activities. 79% of respondents reported they are satisfied or very satisfied with the DNR Grant Unit's customer service. The high satisfaction rate among respondents regarding customer service indicates that the DNR Grants Unit is successful at developing personal relationships and meeting the needs of individual grantees. At the same time, the DNR offers natural resource expertise and a network of natural resource professionals to ensure that legacy funds are being spent on quality conservation work.

Sincerely,

/s/Denise Anderson
Chief Financial Officer

c: Bill Becker, Executive Director, Lessard-Sams Outdoor Heritage Council