



To: Bay Area UASI Approval Authority
From: Catherine Spaulding, Assistant General Manager
Date: April 10, 2014
Re: Item #5: NCRIC Funding Allocation Carryover

Staff Recommendations:

Approve a policy to allow the NCRIC to carryover funding allocations

Action or Discussion Items:

Action

Discussion:

The Bay Area UASI Grants Manual specifies policies for when sub-recipients do not spend their grant allocations in the time or manner originally specified. The Manual states that if a sub-recipient is unable to spend as originally approved within the sub-recipient performance period, the grant dollars must be returned to fund next in line projects or be swapped against future grant allocations to extend the timeframe. The NCRIC has asked the Management Team to update this policy given their unique situation and role (see next section).

The NCRIC would like to be permitted to carryover grant allocations from one sub-recipient performance period to the next. This will allow the organization to maintain a buffer for salaries against unforeseen changes in future grant allocations as well as engage in complex procurement processes that extend beyond twelve months.

The Management Team recommends that the NCRIC be permitted to carryover funding allocations to future sub-recipient performance periods up to a total of six months, provided that this still falls at least three months before the end of the grant performance period provided by the state. The NCRIC will be required to keep the Bay Area UASI Management Team CFO apprised of funding sources and uses at all times. In addition, the NCRIC will be required to report the amount of its carryover balance to the Advisory Group and Approval Authority when requesting additional future funding allocations.

The Unique Situation and Role of the NCRIC

- *Lack of funding flexibility* – The NCRIC is reliant on the UASI funding stream for over half of their operating budget and does not have flexible funding streams like a general fund which allow for coverage of expenditures while awaiting reimbursement from federal sources.
- *Homeland Security Grant Program priority* – the role of the NCRIC is uniquely important as specified in repeated years in the Homeland Security Grant Program (HSGP) funding opportunity announcements. In the 2014 HSGP FOA, DHS states that the HSGP “plays an important role in the implementation of the National Preparedness System (NPS) by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal (NPG) of a secure and resilient Nation. Delivering core capabilities requires the combined effort of the whole community, rather than the exclusive effort of any single organization or level of government. The FY 2014 HSGP’s allowable costs support efforts to build and sustain core capabilities across the Prevention, Protection, Mitigation, Response, and Recovery mission areas, including the following priorities: building and sustaining law enforcement terrorism prevention capabilities; and maturation and enhancement of state and major urban area fusion centers.”
- *Complex regional procurement* – the NCRIC must procure particularly complex and costly equipment on behalf of the region. Such systems require extensive requests for proposal, evaluation, development and implementation of technology to collect, analyze and share information across over 200 public safety agencies. The state typically allows special grant extensions to assist the NCRIC to make such procurements.