

Handout #5

RE: AGENDA ITEM D-8

Discussion Concerning the Following Funding Administered by Arkansas Department of Finance and Administration: Victims of Crime Act (VOCA); Family Violence Prevention Services Program – FY 2021 Family Violence Prevention and Services Act (FVPSA), American Rescue Plan (ARP), Supplemental Funding for FVPSA Formula Grants: FVPSA ARP for Domestic Violence and FVPSA ARP for Sexual Assault

Office of the Prosecutor Coordinator

- **Lori Kumpuris, Assistant Prosecutor Coordinator**
- **Bob McMahan, Prosecutor Coordinator**
- **Ginger Kimes, Staff Attorney**

❖ **2022 – 2023 DFA-IGS Funding Plan**

❖ **ACA 24-1-107 (Guidelines for Specified Advisory Bodies)**

❖ **ACA 24-1-111 (Designation)**

❖ **Family and Youth Services Bureau's Family Violence Prevention and Services Program Site Visit to the Arkansas Department of Finance and Administration (March 3-7, 2017)**

24. 10. 1951



STATE OF ARKANSAS
**Department of Finance
and Administration**

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2022-2023 DFA-IGS FUNDING PLAN

Over the past three (3) funding years, federal funding to the states for victim services has been on a sharp decline. VOCA funding to the State of Arkansas has decreased from a high \$30.6 million in 2018 to \$9.72 million in 2021. STOP and FVPSA funds received by the state have also been in decline during the same time period, but just not as much as VOCA. The continued reduction in funding created a situation where DFA-IGS was forced to cut funds to subgrant organizations by 35% during the last funding cycle. Last Fall, Congress passed legislation (VOCA FIX) that was designed to fix issues with the VOCA Fund and increase payouts to the states. Unfortunately, the plan will not significantly impact state budgets for another 2-3 years.

With the continued reduction in federal funds, DFA-IGS has reviewed multiple options for supporting services. In an effort to support as many victim service providers across the state as possible, DFA-IGS is proposing the following funding plan for the 2022-2023 funding year.

The plan includes, but is not be limited to the following:

- Removing all Executive Directors and Administrative staff from subgrant budgets - By removing these positions, only the positions providing direct services to victims are funded; further VOCA regulations specifically disallows Executive Directors.
- Trimming Travel and Training
- Trimming hourly rates to actual rates paid (see subgrant budgets) - Some budgets contain hourly rates that are higher than the rates that are actually paid, according to paystubs.
- Trimming Insurance rates to actual rates according to supporting documentation submitted with reimbursement requests.
- Removing all "Place Holder", these are line items that do not have significant purpose to the project.

Agency officials are encouraged to begin reviewing their current year grant budget to determine which line items can be trimmed back so that the reduction in funding will have as minimal an impact on the delivery of services to survivors as possible. DFA-IGS staff will reach out to each agency to schedule a consultation time where proposed changes to the budget will be discussed along with a discussion of your organizations goals & objectives for the upcoming year. It is strongly encouraged that agencies included their Authorized Official in these

consultations. Agencies will be required to sign off on all proposed changes to the budget, as well as a draft budget before the subgrant agreement process is finalized.

This proposed process and cuts is not a punitive action towards any agency, but as a means to adjust to the funding limitations we now face. Victim services needs far outweighs the financial support that can be provided. With your continued support and assistance, the State of Arkansas can ensure that its survivors of crime have access to high quality victim service programming that provides them with the support and encouragement needed to overcome their victimization.

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Thank you for your cooperation and assistance in this matter.

Sincerely



Debbie Bousquet
Grants Manager

West's Arkansas Code Annotated
Title 25. State Government
Chapter 1. General Provisions
Subchapter 1. General Provisions

A.C.A. § 25-1-107

§ 25-1-107. Guidelines for specified advisory bodies

Currentness

(a) Where advisory bodies are specified by state or federal legislation or guidelines to act in conjunction with the entity or organization designated to administer funds of the Victims of Crime Act, 42 U.S.C. §§ 10601 -- 10605, the STOP Violence Against Women Act, 42 U.S.C. § 13701, and the Family Violence Prevention and Services Act, 42 U.S.C. § 10401 et seq., the duties and protocol of those advisory bodies, as well as responsibilities of the state administrative agency, shall include, but not be limited to, the following:

(1) After providing the opportunity for review and advice by the advisory bodies, the state administrative agency shall:

(A) Establish a proposal activity calendar one hundred eighty (180) days prior to the start of the upcoming funding cycle;

(B)(i) Establish procedures and dates for review of subgrant funding applications for each funding cycle.

(ii) The state administrative agency shall provide copies of subgrant applications submitted for review to the chairperson of each relevant advisory body;

(C) Establish, consistent with federal law, subgrant application forms;

(D) Establish deadlines for receiving subgrant applications;

(E) Establish dates of subgrant application technical assistance training sessions;

(F) Establish subgrant applicant appeal process procedures; and

(G) Develop a statewide victim service needs assessment and strategic plan for Victims of Crime Act, STOP Violence Against Women Act, and Family Violence Prevention and Services Act funds pursuant to applicable federal program guidelines; and

(2) The state administrative agency shall meet with the relevant advisory bodies no later than thirty (30) days prior to the scheduled date of mailing of application forms for the purpose of providing an opportunity for review of the content of the

application forms. The state administrative agency shall provide drafts of all necessary subgrant application forms to the chairperson of the relevant advisory boards prior to such a meeting.

(b) The state administrative agency shall make available to members of the advisory bodies, upon request, copies of current federal and state law and guidelines concerning the relevant Victims of Crime Act, STOP Violence Against Women Act, and Family Violence Prevention and Services Act programs, including any formal interpretations of such law and guidelines by the state administrative agency.

(c) Any copies of forms, laws, guidelines, or interpretations required to be furnished by the state administrative agency must be made available on computer diskette or other requested electronic media if the requested item is feasibly able to be produced in the requested manner.

(d) The state administrative agency shall provide quarterly reports concerning subgrantee and administrative financial activity to the Governor and to the chairperson of each advisory body within ten (10) working days of the completion of the reports.

(e) Within one hundred twenty (120) days following the start of a subgrant funding cycle, the state administrative agency shall meet with focus groups made up of those programs that or individuals who applied for funds through the Victims of Crime Act, STOP Violence Against Women Act, or Family Violence Prevention and Services Act grant programs in the most recent funding cycle. These meetings are for the purpose of evaluating the effectiveness and responsiveness of the application, application review, and funding recommendation process in order to maintain the integrity of those processes. The state administrative agency shall provide reports of these meetings to the Governor and to the chairperson of each advisory body within ten (10) working days of the completion of the meetings.

Credits

Acts of 1999, Act 1428, § 27, eff. July 1, 1999; Acts of 2001, Act 1786, § 4, eff. April 19, 2001.

A.C.A. § 25-1-107, AR ST § 25-1-107

The constitution and statutes are current through the 2022 Third Extraordinary Session of the 93rd Arkansas General Assembly. Some statute sections may be more current; see credits for details. Also included are changes made by the Arkansas Code Revision Commission received through July 10, 2022.

West's Arkansas Code Annotated
Title 25. State Government
Chapter 1. General Provisions
Subchapter 1. General Provisions

A.C.A. § 25-1-111

§ 25-1-111. Designation

Effective: August 1, 2017

Currentness

(a) The Governor shall have the authority to designate the state agency responsible for the administration and disbursement of funds received by the State of Arkansas under the Victims of Crime Act, 42 U.S.C. §§ 10601 -- 10605, the STOP Violence Against Women Act, 42 U.S.C. § 13701, and the Family Violence Prevention and Services Act, 42 U.S.C. § 10401 et seq., in the manner authorized by federal law.

(b) The state agency designated by the Governor under this section shall not disburse Victims of Crime Act, STOP Violence Against Women Act, or Family Violence Prevention and Services Act funds without providing an opportunity for subgrantee qualification selection assistance and programmatic support by the Arkansas Child Abuse/Rape/Domestic Violence Commission and the Grant Advisory Board.

(c)(1) The Grant Advisory Board is established under this section to assist potential beneficiaries of Victims of Crime Act, STOP Violence Against Women Act, or Family Violence Prevention and Services Act funds by:

(A)(i) Providing review and advice concerning grant processes and grant funding.

(ii) If a member of the Grant Advisory Board has a financial interest in an organization seeking grant funding under subdivision (c)(1)(A)(i) of this section, the member may participate in discussion regarding the award of the grant, but the member shall not vote on the matter;

(B) Hearing grievances from the beneficiaries of those funds; and

(C) After Grant Advisory Board review, requiring the state agency to provide timely notification to the Grant Advisory Board of any revisions to existing rules and any proposed rules to be promulgated, within federal guidelines, by the state agency designated by the Governor under this section, concerning Victims of Crime Act, STOP Violence Against Women Act, or Family Violence Prevention and Services Act funds, and any applicable policies and procedures.

(2) The Grant Advisory Board shall consist of:

(A) Two (2) representatives selected by the Arkansas Coalition Against Sexual Assault;

(B) Two (2) representatives selected by the Arkansas Coalition Against Domestic Violence;

(C) Two (2) representatives selected by the Arkansas State CASA Association;

(D) Two (2) representatives selected by the Prosecution Coordination Commission;

(E) One (1) representative selected by the Criminal Justice Institute Advisory Board for Law Enforcement Management Training and Education; and

(F) One (1) representative each from any other advisory body determined to be necessary by the state administrative agency, including without limitation, the elderly, non-English-speaking residents, disabled persons, members of racial or ethnic minorities, and residents of rural or remote areas.

(d) The state agency designated by the Governor under this section shall not disburse Victims of Crime Act funds without providing an opportunity for review of and advice concerning grant processes and grant funding by the Grant Advisory Board.

(e)(1) The state agency designated by the Governor under this section shall not disburse funds under the law enforcement, prosecution, and judiciary percentages of the STOP Violence Against Women Act, without providing an opportunity for review of and advice concerning grant processes and grant funding by the Grant Advisory Board.

(2) The state agency designated by the Governor under this section shall not disburse funds under the victims services and discretionary percentages of the STOP Violence Against Women Act without providing an opportunity for review of and advice concerning grant processes and grant funding by the Grant Advisory Board.

(f) The state agency designated by the Governor under this section shall not disburse Family Violence Prevention and Services Act funds without providing an opportunity for review of and advice concerning grant processes and grant funding by the Grant Advisory Board.

(g) The state agency designated by the Governor under this section shall, after the review and recommendations of the Grant Advisory Board, promulgate rules consistent with federal law setting forth the policies and procedures for the administration and disbursement of Victims of Crime Act, STOP Violence Against Women Act, and Family Violence Prevention and Services Act funds, including policies and procedures for the participation and assistance of advisory bodies established to assist potential beneficiaries of those funds.

(h)(1) As used in this section, "review" means an analysis, evaluation, assessment, appraisal, inquiry, inspection, or a study.

(2) "Review" does not mean the authority utilized by the General Assembly in its analysis of proposed rules or appropriations.

Credits

Acts of 2001, Act 1786, § 1, eff. April 19, 2001; Acts of 2017, Act 777, § 1, eff. Aug. 1, 2017.

A.C.A. § 25-1-111, AR ST § 25-1-111

The constitution and statutes are current through the 2022 Third Extraordinary Session of the 93rd Arkansas General Assembly. Some statute sections may be more current; see credits for details. Also included are changes made by the Arkansas Code Revision Commission received through July 10, 2022.

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**Family and Youth Services Bureau's
Family Violence Prevention and Services Program
Site Visit to the Arkansas Department of Finance and Administration
March 3-7, 2017**

I. Overview

The Administration for Children and Families (ACF), Family and Youth Service Bureau's Division of Family Violence Prevention and Services (FVPSA Program) conducted a site visit of the Arkansas Department of Finance and Administration (State), the State administrator of FVPSA funds. This site visit was done in conjunction with the Department of Justice Office on Violence Against Women Sexual Assault Services Program, with a coordinated site visit of the Arkansas Coalition Against Domestic Violence (Coalition), the FVPSA designated domestic violence coalition for Arkansas.

The site visits are part of the FVPSA Program's requirements to monitor grantees. Monitoring helps the FVPSA Program:

- ensure that grantees comply with the programmatic, administrative, and financial requirements of relevant statutes, regulations, policies, and guidelines and/or special conditions applied to the grantee's award;
- verify that programs/projects initiated by grantees are carried out in a manner consistent with the grantee's approved project goals and objectives, and in a manner consistent with the FVPSA Program's policy for ensuring accessible services to diverse groups of survivors and diverse communities;
- encourage information sharing between the FVPSA Program and its grantees especially relating to ACF and FYSB priority areas as well as what is happening in the field, including trends in services, shifting funding sources, and challenges and barriers faced by survivors; and
- recognize and document best and promising practices, innovative services, program strengths and significant collaborations.

Rebecca Odor and Kimberly Feeney, Senior Program Specialists, met with leadership and staff from both the State and the Coalition during the site visit, met with Coalition Board members, and visited two local domestic violence programs that receive FVPSA funds through State subawards: Peace at Home Shelter in Fayetteville and The Safe Place in Morrilton.

The following information relates primarily to the State site visit, but also includes the intersecting components with the Coalition site visit and auxiliary visits, meetings and documentation review. It is separated into the major areas reflective of State operations and includes strengths and challenges as observed during the site visit and during review of the documentation sent prior to the site visit. In some cases, suggestions (which do not require action or a response) are offered in an effort to provide technical assistance to the State. Any recommendations supplied require a response from the State which addresses the steps or actions taken to address and/or comply with any recommendation(s).

II. Organization

The State agency that administers the FVPSA funds also administers other federal victim services funds, such as VOCA and VAWA. The Department is organized with a Program Manager responsible for the overall supervision of programmatic and financial matters along with nine Grants Analysts who are responsible for monitoring subawardee activities and expenditures.

Challenges:

Due to the focus on financial matters in the Department of Finance Administration and the staffing structure in place with one Program Manager overseeing the nine Grants Analysts who have the majority of interaction with the subawardees, it is difficult for the Grants Analysts to receive training and help the subawardees on FVPSA priorities and the programmatic nature of the work. Currently, there is one person, a Fiscal Support Specialist, who monitors all of the FVPSA grants. Under this organizational structure, staff lacks expertise on best

practices for domestic violence program services, such as trauma-informed practice and understanding how screening practices may affect clients seeking services.

Recommendation 1:

It is recommended that all persons (Grants Analysts or Fiscal Support Specialists) monitoring the FVPSA subawardees receive training in the programmatic areas of the grants, including, but not limited to, trauma-informed care, voluntary services, informed consent, intricacies of confidentiality, best practices in intake and screening of clients, accessibility of services, and language access planning.

OR

Develop a partnership with the Coalition to monitor the programmatic elements of the grant, as they are already the subject matter experts for these issues (Also fulfills Recommendation 4).

III. State Planning

Challenges:

Currently there is no comprehensive FVPSA State Plan that was developed in collaboration with the Coalition. The plan must be *in consultation with the Coalition* [45 CFR § 1370.10(a)] and must:

- bring community-based organizations, whose primary purpose is to provide culturally appropriate services to underserved populations, to the table at all stages of the planning process [42 U.S.C. 10407(a)(2)(E)];
- take into consideration the needs of the entire state including underserved populations [45 CFR § 1370.10(b)(6)(i)];
- listen, validate and utilize the expertise that community-based organizations can provide in addressing the unmet needs of underserved populations [42 U.S.C. 10407(a)(2)(E)]; and
- utilize information provided through needs assessments, data collected on who is currently being served, and the state census [§ 1370.10(b)(2)(i)].

The Violence Against Women Act (VAWA) 2013 includes a provision requiring States to coordinate the VAWA State Implementation Plan with FVPSA, VOCA and Rape Prevention and Education State Plans.

Recommendation 2:

Develop a current and accurate State Plan that is reflective of Arkansas' current strategy for the provision of domestic violence services throughout the state per the requirements of the FVPSA Statute and Regulations. The State may include other federal funding sources or develop one that is specific to FVPSA funds

In addition, while it may not be necessary to develop a comprehensive plan each year, the State should engage an annual planning process (or review/update of current process) for the use of FVPSA funds to meet the needs of all victims of domestic violence in the state that includes community-based organizations, the Coalition, and other interested stakeholders that can provide relevant information on the needs of specific communities and populations in which they work or for which they serve.

IV. Distribution of FVPSA funds

Strength:

Currently, the State distributes its FVPSA funds through a Request for Proposals (RFP) process which is open to all eligible entities including culturally specific programs. The review process detailed in the RFP consists of an internal eligibility review, an opportunity for review by the Advisory Committee (of which the Coalition is a member), a separate state review panel and then staff review and determination.

Challenges:

It is unclear how decisions are made when deciding how to spend unobligated funds at the end of a grant period. Last year small mini-grants were awarded to a handful of sexual assault crisis centers using OVW Sexual Assault Services Program funds. These awards were then substituted with FVPSA funds at the time of reimbursement of the grants. {Funds were returned} It appears that procedures were not in place or were not followed assuring the proper distribution of funds after the initial Request for Proposal process was completed. There did not seem to be a clear and fair process in the selection of the agencies to receive the mini-grants.

Recommendation 3:

The State should develop and implement procedures for handling unobligated funds after the initial Request for Proposals process. The process should be in consultation with the Coalition [45 CFR § 1370.10(a)], including how the selection of subawardees is made. These procedures should follow the same guidance as listed in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards [45 CFR § 75].

V. Monitoring of FVPSA funds

Currently the State Department of Finance Administration is the only agency that conducts monitoring of the FVPSA subawardees. The Coalition implements a separate comprehensive monitoring process of the local programs under the Domestic Peace Funds (state funds) following the Program and Fiscal Standards set forth.

Strength:

Because the State agency directed to administer the funds is within the finance department, the State has very strong controls in place to assure the proper spending of the FVPSA funds by its subawardees.

Challenge:

While monitoring is an expected responsibility for the State, there is limited involvement of the Coalition in the monitoring of grants to eligible entities [42 U.S.C. 10407(a)(2)(D)]. The Coalition, as the statewide experts in the field of domestic violence and the collective voice of most of the local domestic violence programs in the state, should share the responsibility for ensuring that core services are available, resources are used appropriately and that local programs are provided training and technical assistance to provide quality victim services. The Coalition should be more involved in the monitoring of FVPSA grants awarded to eligible entities. The degree of this involvement will vary depending upon how the State and the Coalition view their respective roles and responsibilities. There are many ways that the Coalition could be involved with some as a partnership and some under a grant or contractual agreement. Here are some examples that could be considered:

- Assisting with the development/updating of the monitoring tool
- Conducting training via conference calls or webinar prior to site visits or monitoring with subawardees to ensure they understand all the elements of compliance and the documentation that will be required to show compliance
- Being part of the team that conducts a site visit
- Conducting certain elements of the monitoring (either desk review or site visit) for the State
- Making the current monitoring report that the Coalition does for the state funds part of the FVPSA site visit report
- Being present for the exit interview
- Reviewing the reports generated from the State prior to release to the subawardees
- Being copied on the reports provided to the subawardees
- Serving as consultants to assist subawardees with responses to compliance issues
- Providing targeted training and technical assistance in areas of noncompliance

Recommendation 4:

The State should develop a plan and protocol (in conjunction with the Coalition) for the Coalition to be a part of the monitoring of FVPSA grants to the extent that it utilizes their expertise to ensure that services to victims are comprehensive, trauma-informed and in line with FVPSA statutes and regulations and best practices.

Challenge:

The State shared that it is difficult for the subawardees to meet the match requirements of the grants. In addition, there are multiple barriers in place by the State that make it harder for subawardees to fulfil match requirements and receive reimbursement. The view of the FVPSA Office is that there are unnecessary restrictions put on the subawardees around accessing and using their funds. The State has policies in place that:

- only allow volunteer hours to be used as match if the volunteer is providing direct services (not administrative such as preparing mailings, filing paperwork or preparing handouts for a presentation),
- place a cap on the amount of volunteer hours that may be counted as match (8 hours) even if the volunteer worked more hours than that in a day, such as working an overnight shift at the shelter,
- set one statewide rate for the value of a volunteer hour for match purposes (\$16.87). This rate is applied no matter the type of volunteer work or the value of the volunteer's time, such as an attorney's time which may be worth much more. [This is actually in direct opposition to 45 CFR §75.306 (e) which states that rates for volunteer services must be consistent with those paid for similar work]
- place a cap on the allowable reimbursement for health insurance premiums (currently \$425),
- set a restriction on reimbursing any part of the work of an Executive Director unless he or she is providing direct services and a 50% cap on the allowable reimbursement for an Executive Director's time providing direct services, and
- limit requests for a budget revision to only one time and only in the second quarter.

Implementing the above policies places unnecessary burdens on the local programs. None of these policies are required by FVPSA statute, FVPSA regulations or the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards. Having all of the above policies in place restricts programs on their abilities to serve victims. These policies also may serve to reduce the capacity to be a sustainable organization. For example, a local program which needs the Executive Director to provide leadership for the organization might weaken its own program by using the time of the Executive Director in direct services to victims in order to pay the salary out of FVPSA funds. By requiring the use of volunteers and then restricting them to direct service work, a program in a low-resourced community may be designed around this service model and be unable to appropriately sustain the recruitment and training of qualified volunteer for this type of work. This also may drain the staffing resources of the program trying to maintain this model that is unachievable in their community.

The FVPSA office understands that the State believes that these restrictions are necessary to: 1) help subawardees meet their match requirements, 2) assure that grant funds are used for direct service, and 3) to meet a federal requirement to provide consistency among funding sources. However, the FVPSA office doesn't agree that these policies are necessary.

- 1) We believe that State policies should support local programs to identify and adequately manage their financial and staffing resources to best leverage the match at the local level. For some subawardees this might mean using volunteers in more of an administrative capacity or using the FVPSA funds to pay for the full cost of the health insurance premium instead of being required to use other funds to cover the cost over the current cap and then using that as part of the match.
- 2) These requirements conflict with a key tenet of FVPSA that allows for these funds to be used to support the infrastructure of the services to victims. Since other funding sources don't always cover administrative and infrastructure costs, FVPSA funds are purposely available to support the infrastructure so that victims may be served. FVPSA funds are designed to pay for the administrative

duties of an Executive Director, the costs to keep the buildings open, and the costs associated with assembling and mailing out of informational packets to increase the awareness of services.

- 3) The third reason the State has identified as reasons for these policies is that the federal government requires that policies be consistent among the different grant programs. We do not find that the policies cited above are ones that are directed to be consistent from the federal level. It is understood that Office for Victims of Crime, for example, sets certain restrictions for the use of their funds through the legislative and regulatory process. However, there is no federal law that requires these same restrictions be applied to other federal programs. We do understand the administrative burden placed on your agency in applying differing restrictions to each of your subawardees based on the federal funding source.

Recommendation 5:

The State should remove its policy that volunteer hours may only be used for match if performing direct services and replace it to allow for any tasks performed by the volunteer that supports the infrastructure of the program to provide shelter and supportive services.

Recommendation 6:

The State should remove the cap on the number of volunteer hours worked during a day to be used for match.

Recommendation 7:

The State should remove the statewide rate for volunteer hours and allow the subawardees to set its own rates for volunteers based on the skills and abilities of the volunteers and the tasks assigned [45 CFR §75.306 (e)].

Recommendation 8:

The State should allow for FVPSA funds to be used for the Executive Director's salary, including all of the functions of the role, not just direct service work. Costs other than direct service are allowable, as stated in 45 CFR §75.402 and §75.403 and 42 U.S.C. 10408(b)(1)(A). Funds should still not be used for lobbying.

Suggestion 1:

In addition, it is suggested that the State allow more flexibility for subawardees to manage their fiscal responsibilities of managing the grant funds by removing its cap on the amount reimbursed for health insurance premiums and implement a budget revision process that accommodates unforeseen project changes past the second quarter.

Challenge:

The State does not currently have a formal process in place to respond to client grievances with funded programs. Without an official grievance process, it is possible that a client could file a complaint with the U.S. Department of Health and Human Services that could require a federal inquiry or investigation; therefore, it is incumbent upon the State to formalize policies and procedures that are responsive to client grievances.

Recommendation 9:

It is a best practice to have a formal policy and procedure in place to assure that funded programs are properly implementing their contract and following state and federal laws. This policy should be developed in collaboration with the Coalition.

VI. Local Program Site Visits

It is always a pleasure for FVPSA staff to visit the advocates providing direct services and to visualize what immediate shelter and supportive services looks like in the different areas. The FVPSA program visited Peace at Home Shelter in Fayetteville and The Safe Place in Morrilton.

VII. Summary

There are 9 recommendations above that will each need a response from the State to include the following:

- Statement indicating understanding of each recommendation, or the provision of clarifying information that FVPSA might not have known or understood at the time of the writing of this report, if necessary; and,
- A plan for responding to the recommendations that includes:
 - a. outline of steps or actions
 - b. timeline for completion of each step or action
 - c. who will be involved in implementing the steps or actions.

Please send the response by email to Rebecca Odor at rebecca.odor@acf.hhs.gov within 30 days of receipt of this report. If there are any questions or concerns regarding the response, the FVPSA Program will contact the State to resolve any issues. Finalized responses to the recommendations will become the corrective action plan, if needed. The State will need to complete this corrective action plan and provide supporting documentation as deemed necessary and appropriate.

STATE OF ARKANSAS

OFFICE OF INTERGOVERNMENTAL SERVICES



**Department of Finance
and Administration**

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January 26, 2018

Marylouise Kelly, (or Acting) Director
Family Violence Prevention and Services Division
330 C Street, SW
Washington, DC 20201

Re: FVPSA Grants to States
CFDA 93.671 Grant Numbers G-1601ARFVPS AND G-1701ARFVPS

Dear Ms. Kelley (or Acting Director),

We have reviewed your site visit report of December 13, 2017 and provide the following responses:

I. Overview

DFA Office of Intergovernmental Services (DFA-IGS) administers the Family Violence Prevention Services (FVPSA), Victims of Crime Act (VOCA), and Stop Violence against Women (STOP) awards. Arkansas' awards under the FVPSA program range from \$1.1 - \$1.2 million annually and fund an average of 7 to 8 shelter organizations across the state.

II. Organization

Challenges:

All FVPSA sub-awards are managed by one Grants Analyst (officially titled Fiscal Support Specialist; recently upgraded to Grants Analyst); summarily each Victims Justice Assistance (VJA) Grants Analyst manages at least 20 sub-recipients. A Program Manager provides direct oversight of all Grants Analysts and is responsible for their overall supervision.

Recommendation 1:

We appreciate your recommendation of staff receiving specialized training or partnering with the Coalition (ACADV) to perform programmatic monitoring. In our role as State Administering Agency (SAA), the staff performs duties in accordance with 2 CFR 200 in areas relating to financial and programmatic requirements for sub-recipients. 2 CFR §200 sets forth the general administrative requirements for applicable federal awards. §200.330-332 govern sub-recipient monitoring and management and applies to all grant agreements and cooperative agreements (excluding only loan agreements and procurement contracts). Based on the requirements of §200.331 specific duties of the SAA as the pass-through entity include:

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the sub-recipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.

Consequently, the SAA is required to monitor specifically for federal compliance, both financial and programmatic, including adherence to the subaward agreement and achievement of performance goals (which are outlined in the subaward agreement). In order to ensure the proper oversight and internal controls over monitoring, DFA-IGS performs monitoring using internal staff. The CFR and FVPSA regulations do not require specialized programmatic training for the SAA to conduct monitoring. We also find that other states perform monitoring using SAA staff and do not require special programmatic training on provider services (such as trauma-informed care) for staff who perform monitoring.

The Coalition, or Arkansas Coalition Against Domestic Violence (ACADV), is a non-profit voluntary membership organization. Their standards (see attached) are established by their board and do not encompass the specific activities required by the CFR. These standards are not a part of DFA-IGS subaward agreement with our sub-recipients. To engage the Coalition with our core monitoring could create confusion for recipients and cause disparate monitoring for shelters who are not members of the Coalition and for those who end membership.

ACADV is a statutory member of the SAA's Advisory Board (Advisory Board) for VJA programs. As a part of the Advisory Board, the Coalition participates in planning and prioritizing FVPSA funds. See attached the VJA Advisory Board roster. The makeup of the Advisory Board provides for subject matter experts to be involved in the granting and awarding process for STOP, VOCA, and FVPSA. The Advisory Board, which includes ACADV, helps to review solicitations, applications, and make recommendations for awards to eligible entities.

DFA-IGS Planned Actions:

DFA-IGS will host a meeting with ACADV within 30 days from the date of this letter to discuss monitoring.

We will collaborate with the Coalition for common elements of shelter operations such as standard policies and procedures, recommended intake procedures, and best practices. We will continue to collaborate with ACADV (and our Advisory Board) for the establishment of mutual expectations for performance and document those expectations in updates to our monitoring protocols.

Additionally, the SAA will continue our partnership with ACADV for training, resources, and shared support as necessary to assist shelter providers who are members of the Coalition and nonmembers who are willing to accept the Coalition's assistance. DFA-IGS will explore opportunities for shared meetings with shelter organizations to discuss needs and capacity building, particularly as it relates to underserved areas identified in Arkansas Statewide Strategic Implementation Plan.

III. State Planning

Challenges:

A comprehensive statewide plan is prepared for all VJA programs DFA-IGS administers under the FVPSA, VOCA, and STOP awards and submitted to the Office on Violence Against Women (OVW) biannually as required by the Violence Against Women Act (VAWA) Reauthorization of 2013.

Recommendation 2:

FVPSA program-specific rules in 45 CFR §1370.10 requires that:

....States must consult with and provide for the participation of State Domestic Violence Coalitions and Tribal Coalitions in the planning and monitoring of the distribution and administration of subgrant programs and projects. At a minimum to further FVPSA requirements, States and State Domestic Violence Coalitions will work together to determine grant priorities based upon jointly identified needs; to identify strategies to address needs; to define mutual expectations regarding programmatic performance and monitoring; and to implement an annual collaboration plan that incorporates concrete steps for accomplishing these tasks.

DFA-IGS, in coordination with the Advisory Board (including ACADV), prepares a Statewide Implementation Plan (Plan) which comprises the planning for FVPSA, VOCA, and STOP funding. The domestic violence (ACADV) and sexual assault coalitions are statutory members of the Advisory Board as well as other members who are representatives of underserved populations. The Plan is submitted to OVW biannually in accordance with VAWA requirements. The Plan lays out the demographics of Arkansas, identifies underserved populations, and presents our strategy for targeting underserved populations and planned outreach. It also lists services targeted for expansion or enhancement and describes the approach for public dissemination of information. DFA-IGS and the Advisory Board will review the Plan annually to assess accomplishments, milestones, changes needed, and lessons learned (where planned objectives were not met).

Collectively, the Advisory Board and ACADV, participated in the development of the Plan. Prior to the Plan development, the Advisory Board assisted in developing needs assessment surveys to help determine unmet victims service needs (including underserved populations) and to inform our development of a statewide strategic plan. Two survey forms were established; one survey was developed and disseminated to current victim service providers (including DV providers); the other was developed and disseminated to the public at large. Key community stakeholders, such as mayors and law enforcement, were specifically asked to participate. The surveys were issued via Survey Monkey for widespread dissemination and access. Both surveys were completed in March of 2016. Advisory Board members developed all of the questions for both of the surveys. Surveys can be accessed on the DFA-IGS website at:

<https://www.dfa.arkansas.gov/intergovernmental-services/grant-programs/resources>

These surveys served as an excellent planning tool to jointly identify needs across the state and to prioritize funding accordingly for STOP, VOCA, and FVPSA.

As a member of the Advisory Board, ACADV helped to review the results and participated in the development of the State Wide Implementation Plan.

FVPSA program rules (45 CFR §1370.10) require that 70% of program dollars be distributed to entities providing immediate shelter to victims of family violence, domestic violence, or dating violence. Arkansas awards 100% of FVPSA program dollars to shelters. Arkansas FVPSA award was \$1,248,464 for FFY 2017 and currently funds seven (7) shelter entities statewide. In accordance with FVPSA rules, domestic violence shelters continue to receive priority funding under FVPSA.

Jointly, the Advisory Board and ACADV gave valuable input on functionality needed for DFA-IGS' new electronic grants management system, IGS Connect, which is used to administer the VJA awards. Advisory Board members helped to test software, participated in pre-live training, and received information and updates to help disseminate to member organizations. IGS Connect is used for application receipt and review, award tracking, administration, desk monitoring, audit review, and award closeouts. Each Advisory Board member is provided access to participate in IGS Connect and to review and make recommendations on applications and funding distributions. Attached is a report of the Advisory Board's access to applications during the review cycle for awards issued for October 1, 2017 – September 30, 2018.

DFA-IGS Planned Actions:

DFA-IGS will coordinate with ACADV and the Board for the activities outlined in our Statewide Implementation Plan. We will continue to support ACADV in their efforts to enhance outreach, training, and support to service providers. See attached our letter of support to the Coalition. Further, DFA-IGS is responsible for oversight and administering a state-funded grant program in coordination with ACADV that will provide additional revenue for domestic violence shelters in Arkansas.

IV. Distribution of FVPSA Funds

Challenges:

DFA-IGS employs a strategy to use old monies first and to utilize all funding to sub-recipients so that services to victims are maximized. The five mini-grants totaling \$23,742 resulted from a small remaining balance on an expiring FVPSA award. The available amount was too small to solicit new applications. The monies were made available to all FVPSA recipients in equal amounts. The federal award expired before the funds were spent under the mini-grants. We communicated this issue to our FVPSA Program Manager and worked for months to reach a resolution. Ultimately, DFA-IGS made a determination to refund the monies to the FVPSA program from state funds. DFA-IGS made a full refund to the federal program in November 2016.

Recommendation 3:

ACADV and the Advisory Board participate in applications review and funding determinations during the award cycle. The FVPSA recipients who were offered mini-grants were already approved to receive funding during the regular award cycle and were in good standing with their current award.

DFA-IGS Planned Actions:

To prevent future issues, DFA-IGS will closely monitor expiring dates to ensure sub-recipients receive timely notification regarding time restricted use of funds.

V. Monitoring of FVPSA Funds

Challenges:

As stated above, the CFR sets specific monitoring requirements for the SAA. DFA-IGS utilizes internal staff in order to effectively administer and control sub-recipient monitoring.

Arkansas Coalition Against Domestic Violence is a non-profit voluntary member organization. Shelters pay a fee for membership in the Coalition and can end their membership at any time. To better utilize the expertise of ACADV and increase involvement and collaboration, DFA-IGS will:

- Engage with the Advisory Board (including ACADV) for updates on our monitoring protocol.
- Collaborate for training and technical assistance in areas benefitting sub-recipients.
- Seek opportunities for collaborative meetings with shelter organizations to discuss respective roles, responsibilities, and expected performance, as well as receive feedback from recipients regarding the same information.

Recommendation 4:

The CFR and FVPSA-specific rules in 45 CFR 1370.10 statute does not set forth specific monitoring activity for Coalitions beyond working together with the SAA to:

.... define mutual expectations regarding programmatic performance and monitoring...

DFA-IGS Planned Actions:

In alignment, DFA-IGS will coordinate with the ACADV, and the Advisory Board, for updates to administrative policies and procedures including those covering monitoring. Additionally, DFA-IGS will continue to collaborate with ACADV for mutual support and assistance to service providers. DFA-IGS will continue to support the Coalition's mission and outreach (see letter of support attached).

Challenges:

- DFA-IGS does not restrict volunteer hours for the seven (7) FVPSA funded shelter projects to direct services only. Volunteer hours benefitting the FVPSA-funded project are allowed.
- The DFA-IGS follows the Department of Labor's standards of hours worked per day when determining the allowable amount of volunteer hours per day. For example, a volunteer who is working an overnight shift, would claim 8 hours for each day worked.
- The statewide volunteer rate mirrors the practice of other states. The cap amount is the maximum amount (currently \$19.66), but not the required amount. The cap does not apply to professional services (such as attorney fees) which is addressed separately in the CFR and is treated accordingly by DFA-IGS.
- The cap for health insurance premiums is maxed at the State's rate which is typically higher than the rate of most non-profits. We believe this to be a reasonable practice that establishes a consistent maximum rate that is available to all. A cap ensures equitable access and consistent application across the board.
- DFA-IGS allows for executive director services to be reimbursed. There is no longer a 50% cap.
- In the application and award process, determinations are made about project scope and budget. Pre-award consultations are conducted prior to the issuance of awards. This is the period for consideration of final budget adjustments before the project begins. Awards are issued according to the approved project scope and budget. Afterwards, recipients finalize and accept their budgets; then awards are issued. The first quarter of an award is the period where project performance is expected to begin, thus budget modifications are limited to extenuating circumstances. Budget revisions are allowed beyond the first quarter.

Recommendation 5:

DFA-IGS does not have a policy restricting volunteer hours to direct services only for FVPSA-funded projects.

DFA-IGS Planned Actions:

None.

Recommendation 6:

DFA-IGS follows the Department of Labor's standards regarding hours worked per day.

DFA-IGS Planned Actions:

None.

Recommendation 7:

The state allows subrecipients to set their own rates based on pay for commensurate services up to a maximum amount (currently \$19.66) for nonprofessional services. Professional services are covered specifically in the CFR and is treated accordingly. Other states also have a similar statewide volunteer rate.

DFA-IGS Planned Actions:

None.

Recommendation 8:

DFA-IGS allows for Executive Director services to be reimbursed. The cap was a former practice of the SAA but is no longer imposed.

DFA-IGS Planned Actions:

None.

Recommendation 9:

DFA-IGS will coordinate with the ACADV and the Advisory Board for updates to administrative policies and procedures including those covering monitoring and complaints from clients of providers.

DFA-IGS Planned Actions:

DFA-IGS will host a meeting with ACADV within 30 days from the date of this letter to discuss monitoring and complaint procedures.

Conclusion:

The SAA is required to administer federal programs in accordance with the general administrative requirements as set forth in CFR and program-specific requirements for underlying grant programs. The CFR at §200.105 gives precedence to the general administrative requirements in the order of compliance. We believe DFA-IGS policies are consistent with both the general and FVPSA-specific requirements. DFA-IGS will continue to collaborate with the ACADV for meaningful involvement in the administration and monitoring of the FVPSA federal award.

Please contact us if you have further questions or require additional information.

Sincerely,

Doris Smith

Administrator

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