



Board of County Commissioners • Escambia County, Florida

Amy Lovoy
Assistant County Administrator

June 23, 2016

Laurie McGilvray
Program Director
Office of Gulf Coast Restoration
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Subject: **Public Comment on Information Collection Forms for the Direct Component and Centers of Excellence Research Grants Program**

Ms. McGilvray:

Escambia County received an email request from your office, dated May 4, 2016 regarding **Public Comment on Information Collection Forms for the Direct Component and Centers of Excellence Research Grants Program**, with the subject line of "RESTORE Act Funding Opportunity Announcements and Update." We respectfully submit this document to provide the requested comments.

Comment 1. *In response to whether the collection of information is necessary for the proper performance of the functions of the agency:*

The RESTORE Act requires that restoration projects use "best available science". Best available science is typically not readily available; it must be determined. It requires much research and time to ensure all processes benefit ecological systems in the most reasonable and cost effective manner. Escambia County fully supports the use of best available science for RESTORE Act projects; however, it is difficult to convey best available science to the U.S. Treasury, which is not familiar with the scientific process. Additional time and resources are being used to explain best available science for a specific project to an organization that is not scientifically based. Rather than providing reference material and a brief explanation of how a specific project is performing best available science, the following must be explained in great detail (increasing the risk of corresponding multiple times over several months, using additional time and resources):

1. What is best available science according to this specific project;
2. How it is applied to this specific project;
3. Why it is the best available science for this specific project.

Additionally, in most cases, science is not simply black and white, and it is important for the reviewer to realize and understand the scientific process to determine if best available science is being used.

It is recommended, in order to reduce usage of resources, that the U.S. Treasury not focus on the specific project details of the best available science, but rather check to see if the grantee has conducted scientific research and can provide a list of references that support their project and the “best available science” determination.

Another suggestion is the U.S. Treasury could approve each state’s organizations permitting and environmental checklist to ensure all environmental projects are being performed with best available science. For example, in Florida, all environmental projects must go through the Florida State Clearinghouse, under the Florida Department of Environmental Protection, in which scientific organizations will provide feedback to projects and ensure environmental compliance. When a project is approved through the Florida State Clearinghouse, the U.S. Treasury could automatically approve the best available science portion of the application. Using the permitting and environmental checklist of each “state’s clearinghouse” to ensure all environmental projects are being performed with best available science would greatly reduce use of resources, especially since it is already a required process.

Comment 2. *In response to the accuracy of the agency's estimate of the burden of the collection of information:*

The table below displays the estimated indirect costs that Escambia County is sustaining in order to perform RESTORE requirements and projects. Categories follow the indirect cost definitions from the RESTORE Act Guidance document.

Escambia County RESTORE Indirect Costs (Based off of FY 2015)			
Admin Costs (3%)			
General management functions, general ledger accounting, budgeting, human resource services, general procurement services, and general legal services			
Position	Estimated Hours on RESTORE Weekly	Hourly Rate (\$)	Total Expense
NRM Director (E82)	10	41.92	\$419.20
NRM Director's Aide (B32)	5	19.4	\$97
Accountant	4	22.21	\$188.84
MRD Manager (D63)	10	32.71	\$327.10
WQLM Manager (D63)	10	32.71	\$327.10
Clerk's Office	40	31.71	\$1,268.40
RESTORE Program Manager	40	20.75	\$830.00
Total Estimated Admin Costs (Weekly):			\$3,457.64
Total Estimated Admin Costs (Annually):			\$165,966.72

Other Indirect Costs (7%)			
Facilities			
Building	Total Department Cost		
Old Courthouse	\$19,794.39		
Central Office Complex	\$35,853.95		
		Total Estimated Facilities Costs (Annually):	\$55,648.34
Eligible Projects, Programs, Planning Activities			
Best Available Science Review		Total Planning Activities Costs (Per MYIP):	10,000.00
Activities relating to grant applications, awards, audit requirements, or post-award management, including payments and collections			
Risk Assessment (audit requirement)		Total Audit Requirements Costs (One-time cost):	\$26,000.00
Total Actual Indirect Cost Incurred for MYIP Planning			\$257,615.06
Total Indirect Cost Received in Planning Grant			\$37,804.56

As shown in the table above, all organizations receiving RESTORE dollars are limited to 3% admin costs for every RESTORE Project. Escambia County is limited to a 10% provisional rate for all indirect costs. Escambia County understands this restriction is important to ensure dollars are used for maximum project development.

However, the U.S. Treasury auditors are requiring that detailed documentation of all indirect costs are maintained; otherwise, the grantee will run the risk of returning this money. Escambia County must prove that it is expending 3% for administrative cost and defend the additional 7% with detailed documents. This task is weighing heavily on administrative time and resources as it is not easily tracked information.

The table shows how important it is to streamline compliance and correspondence with the U.S. Treasury in order to reduce resources.

Comment 3. *In response to ways to enhance the quality, utility, and clarity of the information to be collected:*

The following tasks performed by the U.S. Treasury would greatly assist the recipients of RESTORE Act dollars:

1. Create a timeline showing the sequence of events that must occur within the U.S. Treasury department for the MYIP and Grant approval process;
2. Share common resources that would be applicable to all RESTORE Act grant recipients (i.e. a sub-recipient agreement to include in contracts);

3. Provide a “mock” approved grant application for different types of projects (Natural Resource Restoration, Infrastructure, Job Creation, Construction, Non-Construction, etc);
4. Clearly define what is required of the grantees to determine best available science;
5. Give determinate answers to some of the bigger questions that linger across the counties/parishes, especially bonding.
 - a. Although there are high benefits, as of now RESTORE Act grant recipients cannot bond RESTORE dollars because it would be considered paying back debt (which is currently unallowable). There has been a request that the U.S. Treasury research this issue and provide feedback whether or not a solution would present itself.

Comment 4. In response to ways to minimize the burden of the collection of information on respondents, including the use of automated collection techniques or other forms of information technology:

Total Admin Time	Estimated Amount
6 year Program	\$995,800.32
16 year Program	\$2,655,467.52
Total Allowed with 70M allocation	\$2,100,000.00

The table above displays the difference in administrative costs between a six year RESTORE program (1 year Transocean, 5 year BP) versus a 16 year RESTORE program (1 year Transocean, 15 year BP).

This exercise shows the importance of reducing administrative cost. The RESTORE Program is currently structured for the grantees to receive installments over the next 15 years. As shown above, with a 16 year RESTORE Program, Escambia County will exceed the allowed budget for administrative costs within our allocation. This results in the grantee being responsible for much of the administrative costs. This does not include the administrative costs in which projects must be monitored and carried out after the 16th year.

In stark contrast, the administrative budget for a 6 year RESTORE Program was calculated and found to be less than half of the 16 year RESTORE Program.

Escambia County understands the civil penalty must be over a 15 year period after the final ruling of the consent decree this past April. It is requested that the U.S. Treasury understand the administrative struggles the counties have to coordinate and stand up a 16 year RESTORE Program. Escambia County asks that the U.S. Treasury work diligently in smoothing out MYIP and Grant approval processes.

If it takes over a year for projects to be approved because additional information, clarification, and minor corrections require a formal process to start over again, the administrative costs will certainly go over the estimated calculation in the table above.

Comment 5. *In response to estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information:*

If grantees could include up to their full allocation in their multi-year implementation plan, this would greatly reduce administrative and start up costs.

It took over a year for Escambia County to receive a planning grant. A substantial amount of administrative time and resources were used corresponding over this period and small edits required a formal process to begin again. Overall, it is requested that the U.S. Treasury begin shifting from a "trial and error" approach with the RESTORE Act grant recipients to a more confident method of showing grantees how to access their restoration dollars.

These comments illustrate just some of the issues that Escambia County has faced while starting up the RESTORE Program. As with all start-ups, there have been great successes and unanticipated hindrances. Going forward, our goal is to increase the former while decreasing the latter, and hopefully considered action from the detailed comments provided in this document are the first step toward this goal.

Thank you for the opportunity to provide these comments. If there are any questions or issues regarding these comments, please contact me at your convenience.

Sincerely,



Amy Lovoy
Assistant County Administrator

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