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CITY COUNCIL REPORT

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TO: Paul Blue
Senior Executive Assistant to the City Manager

FROM: Tom Remes
Government Relations Director

SUBJECT: FISCAL YEAR 2012-2013 (FY12-13) CITYWIDE GRANT ACTIVITY

This report provides the Finance, Efficiency and Economy Subcommittee an update on Citywide grant activity, coordination and management from the Office of Government Relations. In Fiscal Year 2012-13, the City received \$117,414,120 in grant funding.

This report is for information purposes only.

THE ISSUE

The Office of Government Relations (GR) provides Citywide grant coordination, including staff training, development of best practices for grant writing, coordinating peer review of grant applications, researching and identifying opportunities for additional grant funding and quarterly meetings with department grant liaisons to share information.

OTHER INFORMATION

In the past fiscal year, GR has assisted departments in securing letters of support for grant applications, reviewed and provided feedback on grant applications before submittal and assisted with federal grant audits. When several departments are submitting different grant applications to the same funding source, GR coordinates between the departments and secures the necessary approvals from City management and City Council.

GRANTS AWARDED TO THE CITY OF PHOENIX

Overall, in FY12-13, the City received approximately \$117,414,120 in grant awards:

- \$77,418,399 in federal funding
- \$35,374,577 in state funding
- \$1,332,750 in other funding
- \$3,111,934 in private funding
- \$176,460 in tribal 12% gaming funding

The top three grant recipients this fiscal year were:

- \$42,222,821 to Human Services

- \$25,875,866 to Aviation
- \$16,583,867 to Neighborhood Services

Grant dollars provide a large portion of funding for some departments such as Human Services and Neighborhood Services. In FY12-13, the City received funding from a number of federal agencies including U.S. Department of Transportation, U.S. Department of Justice, Federal Emergency Management Agency, Housing and Urban Development, and Health and Human Services to name a few.

FORMULA GRANTS

A formula grant occurs when a Federal agency is directed by Congress to make grants, for which the amount is established by a formula based on certain criteria that are written into the legislation and program regulations.

During FY12-13, the City received \$82,263,409 in formula grants including both federal and state funds. Departments that received formula funds include Aviation, Neighborhood Services and Human Services. Of those departments, Aviation received the most, \$25,875,866 from the Arizona Department of Transportation.

COMPETITIVE GRANTS

A competitive grant funds are allocated by panels of relevant professional peers after consideration of research proposals submitted to the review panel of a ranking agency. During FY12-13, the City received \$20,206,357 in competitive grants. These funds include federal, state and local funds. Departments that were awarded competitive grants include Street Transportation, Police, Fire and Office of Emergency Management. Of those departments, Fire received the most from competitive funds, receiving \$11,330,581 in operating grants.

Out of \$35,374,577 of grant awards the City received from the State during FY12-13, \$29,515,536 were pass through funds from federal agencies as follows:

- \$6,108,872 from the Federal Highway Administration-Arizona Department of Transportation
- \$21,423,534 from the U.S. Department of Labor-Employment and Training Administration, through Workforce Investment Act (WIA) funds from the Arizona Department of Economic Security
- \$1,983,130 from the U.S. Department of Homeland Security through the Arizona Department of Homeland Security for the Urban Area Security Initiative (UASI), which are awarded to Fire and Police Departments and the Office of Emergency Management

Attachment A details grants awarded to departments within the last fiscal year.

Attachment B details grants received by funding source within the last fiscal year.

Attachment C details a comparison of grants received between the last two fiscal years, FY2011-2012 and FY12-13 by City department.

Compared to previous fiscal years, the City has received less in federal funds than previous years. Federal grants continue to be competitive and while there are many outstanding funding opportunities, not all funding opportunities are pursued by City departments for reasons that include percentage of required matching funds, restrictive federal requirements, or insufficient time to organize a competitive grant application.

PRIVATE GRANTS

With the decline in federal grant funds, applying for and securing grants from non-traditional sources, such as private foundations, are critical to the City's grant fund portfolio. Currently the City is a member of the Alliance of Arizona Non-Profits and the Arizona Grantmakers Forum an association of 20,000 non-profits in Arizona.

During FY12-13, three City departments (Fire, Neighborhood Services and Human Services) received a total of \$3,111,934 from private organizations. While GR has established relationships with local community non-profits, the office is working more closely with other foundations such as St. Luke's Health Initiative, The Flinn Foundation and the Arizona Community Foundation, to secure funding for City programs and services. City departments continue to pursue private foundation grants and applications have been submitted to organizations including the Coca-Cola Foundation and the United States Conference of Mayors.

12 PERCENT INDIAN GAMING GRANTS

The gaming compact entered into by the State of Arizona and Arizona tribes' calls for 12 percent of gaming revenue to be contributed to cities, towns, and counties for government services that benefit the general public including public safety, mitigation of impacts of gaming, and promotion of commerce and economic development. GR has submitted funding requests on behalf of various non-profits, City departments and other local organizations to the Gila River Indian Community (GRIC). During this fiscal year, the Gila River Indian Community awarded \$176,460 to the Regional Wireless Cooperative. Additional funding requests have been submitted to the Salt River Pima-Maricopa Indian Community, Tohono O'Odham Nation, San Carlos Apache Tribe, Fort McDowell Yavapai Nation, Ak-Chin Community and Pascua Yaqui Tribal Government.

MANAGEMENT OF GRANTS AWARDED

Currently, the City is managing more than \$1,735,817,387 in grants: \$1,350,391,712 in federal grants, \$299,583,818 in state funds, \$13,339,914 in private funds, \$10,224,448 in local funds, \$62,261,494 in other funds and \$16,000 in tribal 12% gaming funds.

Administrative Regulation 1.81 addresses federal, state and other grant applications for the City and provides guidance on established procedures to apply for and to administer federal, state and private grant funds.

AUDITS OF GRANTS AWARDED TO THE CITY OF PHOENIX

Per the U.S. Office of Management and Budget (OMB), in accordance with Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," the Finance Department, coordinates the mandatory federal Single Audit report. The Single Audit report presents the City's federal expenditures by grantor agency, for the fiscal year. The report is published and is included in the City's internet page available for public viewing. Single Audits are conducted by Clifton Gunderson, LLP or other private audit firms. The final report for fiscal year end, is usually available by mid-spring of the following for calendar year for FY12-13

ARRA STIMULUS GRANTS AND REPORTING

Enactment of the American Recovery and Reinvestment Act (ARRA) in February 2009 provided opportunities for departments that had not submitted grants before to write and submit applications and be awarded grants. In some cases, funding for existing grant programs was increased. To date, Phoenix has received approximately \$490,807,417 in ARRA stimulus funding. As required, GR submits quarterly reports on each of the ARRA grants on the federal reporting website. To date, all reports have been submitted on time. A total of \$423,685,300 of awarded ARRA funds has been spent. These dollars represent 65 projects, of which 60 projects have been fully completed and final reports have been submitted.

Of the total \$490,807,417 in ARRA grant awards received, it includes:

- \$55,366,000 in low-interest loans/bonds
- \$167,235,880 in formula funds
- \$253,174,072 in discretionary funds

RECOMMENDATION

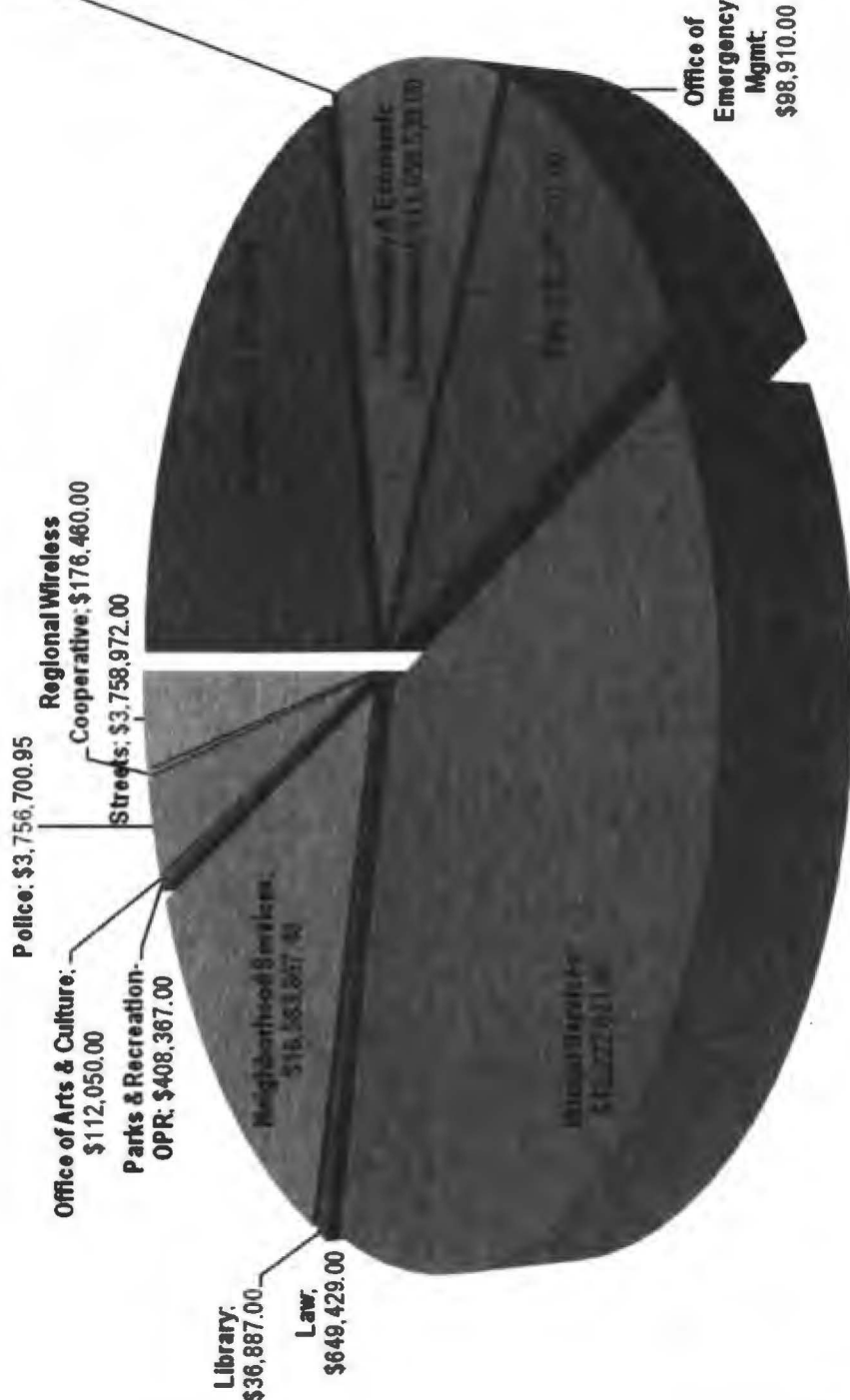
This report is for information only. No subcommittee action is needed.

Attachment A

FY12-13 All Grants Received by Department

\$117,414,120

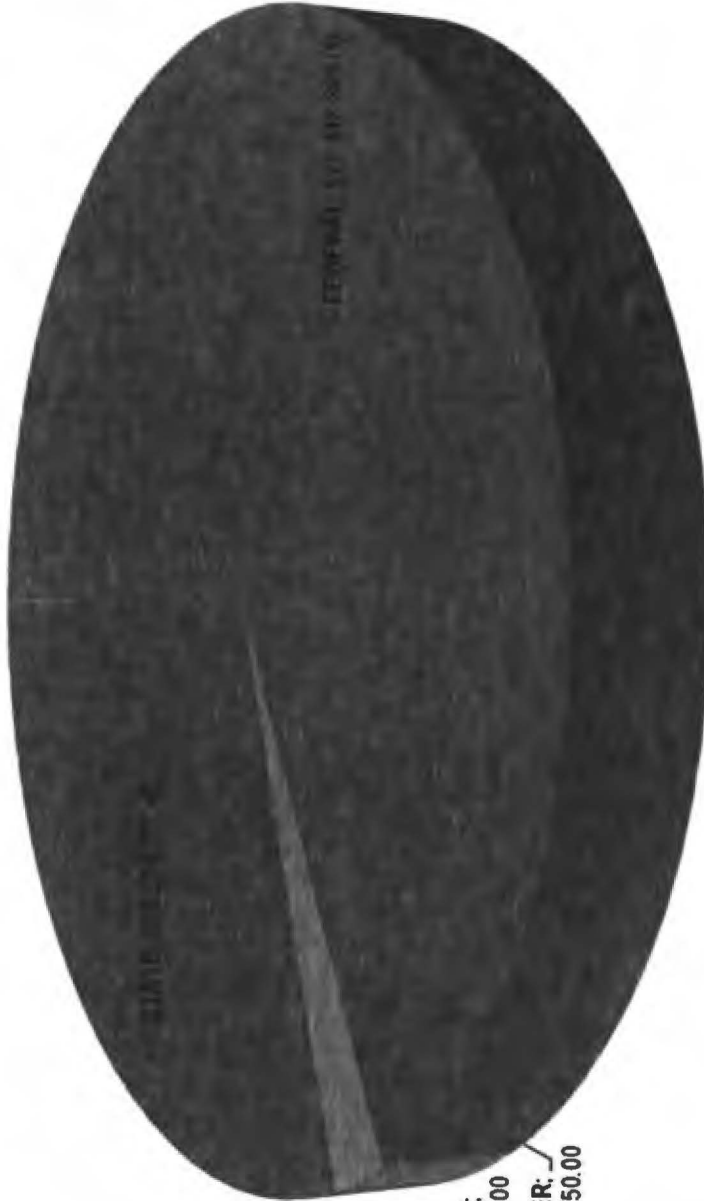
- City Manager's Office
- Aviation
- City Manager's Office
- Community & Economic Development
- Office of Emergency Mgmt
- Fire
- Human Services
- Law
- Library
- Neighborhood Services
- Parks & Recreation-Operating
- Office of Arts & Culture
- Police
- Regional Wireless Cooperative
- Streets



Attachment B

**FY12-13 Grant Awards by Funding Source
\$117,414,120**

TRIBAL: \$176,460.00



- FEDERAL
- OTHER
- PRIVATE
- STATE
- TRIBAL

PRIVATE:
\$3,111,934.00

OTHER:
\$1,332,750.00

Attachment C

All Grants Received by Departments; FY12-13 & FY11-12

