



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: June 4, 2014
Subject: Grant Request #2682, #2683

Enclosed please find two (2) items that the Joint Fiscal Office has received from the administration.

JFO #2682 – \$201,923 grant from the U.S. Department of Agriculture to the Vermont Agency of Education. These funds will be used to upgrade the Child Nutrition Program's financial management system for processing reimbursement claims.

[JFO received 05/20/14]

JFO #2683 – \$75,000 grant from the State Justice Institute to the Vermont Judiciary. These funds will be used to conduct a caseload study as required by law (every three years). The Judiciary will use the results of the study to produce a best-practice model for caseload management.

[JFO received 05/30/14]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by June 17 we will assume that you agree to consider as final the Governor's acceptance of these requests.

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

[phone] 802-828-2376
 [fax] 802-828-2428

Agency of Administration

JFO 2682

**STATE OF VERMONT
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary:		This is a federal grant awarded to the Agency of Education for outstanding performance directly certifying children for free school meals using information from SNAP. The funding will be used for upgrades to the financial management system used by Child Nutrition Programs			
Date:		5/7/2014			
Department:		Education			
Legal Title of Grant:		Direct Certification Outstanding Performance Award			
Federal Catalog #:		10.589			
Grant/Donor Name and Address:		United States Department of Agriculture			
Grant Period:		From:	To:		
Grant/Donation		\$201,923			
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$201,923	\$0	\$0	\$0	
Position Information:		# Positions	Explanation/Comments		
		0			
Additional Comments:		There is not a time period tied to this grant (see pg. 3 of the grant award letter), although the Agency expects to expend funds as quickly as possible in the upcoming fiscal year.			
BL 5/7/2014					
Department of Finance & Management		<i>[Signature]</i>	(Initial)		
Secretary of Administration		<i>[Signature]</i>	(Initial)		
Sent To Joint Fiscal Office			Date 5/8/14		



STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

BASIC GRANT INFORMATION				
1. Agency:	VT Agency of Education			
2. Department:	General Supervision & Monitoring Team			
3. Program:	Child Nutrition Programs			
4. Legal Title of Grant:	Direct Certification Outstanding Performance Award			
5. Federal Catalog #:	10.589			
6. Grant/Donor Name and Address:	US Department of Agriculture			
7. Grant Period:	From:		To:	
8. Purpose of Grant:	Vermont has been selected to receive an FY 2013 Direct Certification Performance Award for Outstanding Performance in directly certifying children for free school meals using data from the Supplemental Nutrition Assistance Program			
9. Impact on existing program if grant is not Accepted:	This award will help us fund critically needed updates to our financial management system for processing claims for reimbursement for all sub-recipients participating in the Child Nutrition Programs to improve the infrastructure and make us better able to meet the needs of our program participants.			
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2014	FY 2015	FY	
Personal Services	\$	\$	\$	
Operating Expenses	\$	\$201,923	\$	
Grants	\$	\$	\$	
Total	\$	\$	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$	\$201,923	\$	
(Direct Costs)	\$	\$	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source)	\$	\$	\$	
Total	\$	\$201,923	\$	
Appropriation No:	5100070000	Amount:	\$201,923	
			\$	
			\$	
			\$	
			\$	
			\$	

APR 29 2014

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

	\$
	Total \$

Has current fiscal year budget detail been entered into Vantage? Yes No

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? Yes No
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: William Talbott, Dep Secretary/CFO Agreed by: WT (initial)

12. Limited Service Position Information:	# Positions	Title
Total Positions		

12a. Equipment and space for these positions: Is presently available. Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):	Signature: <u>WT</u>	Date: <u>4-17-14</u>
	Title:	
	Signature:	Date:
	Title:	

14. SECRETARY OF ADMINISTRATION

Approved: (Secretary or designee signature) [Signature] Date: 05/07/14

15. ACTION BY GOVERNOR

Check One Box: Accepted (Governor's signature) [Signature] Date: 5/8/14
 Rejected

16. DOCUMENTATION REQUIRED

Required GRANT Documentation

<input type="checkbox"/> Request Memo <input type="checkbox"/> Dept. project approval (if applicable) <input type="checkbox"/> Notice of Award <input type="checkbox"/> Grant Agreement <input type="checkbox"/> Grant Budget	<input type="checkbox"/> Notice of Donation (if any) <input type="checkbox"/> Grant (Project) Timeline (if applicable) <input type="checkbox"/> Request for Extension (if applicable) <input type="checkbox"/> Form AA-1PN attached (if applicable)
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End Form AA-1

(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).



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MEMORANDUM

TO: Legislative Joint Fiscal Committee

FROM: Laurie M Colgan,
Director, Child Nutrition Programs

CC: Deb Quackenbush
Director, General Supervision and Monitoring

DATE: May 29, 2014

SUBJECT: Direct Certification Performance Award

Vermont Agency of Education's Child Nutrition Programs received a Direct Certification Performance award from USDA in the amount of \$201,923 for Outstanding Performance in directly certifying children for free school meals using data from the Supplemental Nutrition Assistance Program. The direct certification process makes children in households that receive food stamps and Reach Up eligible for free school meals without the need to complete a free or reduced price meal application. With information from the SNAP office, the Agency of Education provides names of eligible students through the Student Census Data system to schools in Vermont. The children are then automatically eligible to receive free meals in their respective schools.

Child Nutrition Programs is working to upgrade our web-based Financial Reporting and Claiming System which processes federal and state reimbursement payments to Vermont schools and institutions that participate in the National School Lunch and Breakfast Programs, the Child & Adult Care Food Program, the Fresh Fruit & Vegetable Program, and the Summer Food Service Program along with ancillary accounting, security, and configuration functions in order to maintain compliance with important USDA requirements for these Programs. With this system, approximately \$29,000,000 in reimbursement funds are processed monthly through payments to each of the entities participating. In addition, this system also collects and manages program data that includes required program applications and agreements, federal data for reports, participation statistics, poverty data that school districts in the state use to leverage other federal and state funding and grants, and all payment vouchers that are transmitted to the Treasurer's Office to create payments by check or EBTs for Child Nutrition Programs.

In the last 10 years there have been significant changes in the federal Child Nutrition Programs which included the addition of the Fresh Fruit & Vegetable Program, the At-Risk After-School Snack and Supper Program, and most recently the Community Eligibility Provision which

requires different data collection in the program application, a different payment calculation process, different grant fund codes by program and meal type, and requires that it provide data to the financial reporting system so that we can consolidate payments to school food authorities or institutions for financial reporting. In addition, through legislative support, we have been able to provide State funds to support reduced-price school breakfasts and lunches, as well as meals served in day care homes which required modifications and updates to the system for the correct coding and payment process, as well as the financial reporting component. The consolidation of school food authorities from individual schools districts to that of Supervisory Unions has also required tremendous modifications and reconfigurations to the payment and reporting system.

Each time there is regulatory program change to the Child Nutrition Programs, we must contract with our program developer to create a revision to the system to manage the new program or the new payment process to distribute the federal reimbursement funds. With numerous USDA regulatory changes affecting our Child Nutrition Programs in the near future, we are evaluating the required updates and modifications that we must consider for this system, including moving from the current Oracle platform to that of SQL server to allow us to realize a greater long-term savings and assurances that regulatory updates become an integral part of our maintenance and support services. During this period of research and evaluation, it is necessary to have maintenance support to manage our current platform.

These existing systems run on servers owned and maintained by Vermont, requiring considerable resources such as hardware infrastructure, power, operating systems, network security, backups/ restores, and deployment of patches and upgrades. Vermont is alone in using that Oracle-based system, whereas other states use a standard. .Net/SQL system that is much more easily supported. Vermont's existing system is outmoded, not well suited to modern needs of data quality, lacks consistent inter-operability between end users and the Agency, is prone to compliance difficulties, and not suited to important ongoing and future abilities to meet increasingly complex and rigorous USDA requirements.

Upon approval, we plan to use the Direct Certification award to transition to newer systems that can meet increasingly complex regulatory and functional needs now and into the future. The proposed new system is in use by other states, using modern and adaptable methods that utilize SQL Server for the back end functions and .Net framework for programming and user interface. Colyar has also developed the capability to offer all of these functions using a Software as a Service ("SaaS") ('cloud') functionality. Secure redundant servers provided and maintained by Colyar at two off-site locations, and will allow local educational agencies and the Agency of Education to access all appropriate functionalities using only simple thin-client (browser based) end use hardware and software. This SaaS approach simplifies hardware, software, security, and redundancy needs that would otherwise apply at end user interfaces in Vermont. The SaaS approach also simplifies present and ongoing inter-operability with USDA reporting and other requirements.



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

SEP 25 2013

Ms. Laurie Colgan
Director
Child Nutrition Programs
Vermont Department of Education
120 State Street
Montpelier, Vermont 05620

Dear Ms. Colgan:

Congratulations! It is with great pleasure that we inform you that the Department of Agriculture Food and Nutrition Service (FNS) has selected Vermont to receive a Fiscal Year 2013 Direct Certification Performance Award in the amount of \$201,923.08 for **Outstanding Performance.**

The Healthy, Hunger-Free Kids Act of 2010 established performance awards to encourage State agencies administering the National School Lunch Program to ensure that all children eligible for direct certification with the Supplemental Nutrition Assistance Program (SNAP) are directly certified. For this second year of awards, FNS is providing eight States a total of \$2 million in the category of "Outstanding Performance." Vermont reached a direct certification performance rate of 95% for school year (SY) 2012-2013 and was selected as one of the eight States to receive this special award.

For **Outstanding Performance Awards**, States were considered if they met the Federally mandated 90% benchmark for direct certification with SNAP and were found to be among those with the highest direct certification performance rates for SY 2012-2013. Additionally, States had to have fully phased out the "letter method" as a form of direct certification.

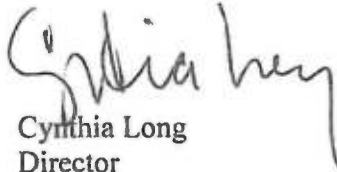
The amount of your award includes a base amount of \$125,000, plus additional amounts based on the number of school food authorities in your State and the number of children certified for free meals. You can expect the funds to be electronically transferred soon to your State's bank account. However, **before the funds can be transferred, you must complete and return the enclosed "FY 2013 Child Nutrition Direct Certification Performance Awards IPAS Vendor Profile" form** with the State bank account number and routing information for the account where funds should be deposited. We ask that you submit the completed vendor profile form within five days of receipt of this letter. The form contains instructions for mailing it to FNS.

Ms. Laurie Colgan
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When your State receives the funds in the designated bank account, please acknowledge receipt immediately by submitting the enclosed "*Acknowledging Receipt of Funds*" template, as instructed on the form. Also, please refer to the enclosed guidance on the use of these funds and on any monitoring, reporting, and recordkeeping requirements.

Thank you for your continuing efforts to improve access to nutritious school meals.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia Long". The signature is written in dark ink and is positioned above the printed name.

Cynthia Long
Director
Child Nutrition Division
Enclosures