



**THE STATE OF NEW HAMPSHIRE  
DEPARTMENT OF TRANSPORTATION**

FIS 24 148  
Late Item



mac

*William Cass, P.E.  
Commissioner*

*David Rodrigue, P.E.  
Assistant Commissioner  
Andre Briere, Colonel, USAF (RET)  
Deputy Commissioner*

The Honorable Ken Weyler, Chairman  
Fiscal Committee of the General Court and

Division of Project Development  
March 27, 2024

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Pursuant to RSA 14:30-a, VI, authorize the New Hampshire Department of Transportation to accept and expend \$600,000 in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) as matching funds for the Congestion Mitigation and Air Quality (CMAQ) grant to build a section of the rail trail in Warner to link Contoocook Village with downtown Warner effective upon the date of Fiscal Committee and Governor and Council approval through June 30, 2025. This is an allowable use of American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) under Section 602(c)(1)(A) to respond to the public health emergency or its negative economic impacts. 100% Federal Funds.

Funds are to be budgeted in FY2024 in the following new accounting unit:

<u>04-096-096-962015- 28XX0000 ARPA Federal Matching Funds</u>		<u>FY2024</u>	<u>FY2024</u>	<u>FY2024</u>
<u>CLASS</u>	<u>ACCOUNT</u>	<u>CURRENT MODIFIED BUDGET</u>	<u>BUDGET REQUEST</u>	<u>REVISED BUDGET</u>
<b>EXPENDITURES</b>				
040 – Indirect Costs	500800	\$0	\$2,500	\$2,500
041 – Audit Fund Set Aside	500801	\$0	\$600	\$600
072 – Grants Federal	502683	\$0	\$596,900	\$596,900
<b>TOTAL EXPENSES</b>		<b>\$0</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>SOURCE OF FUNDS</b>				
000 – Federal Funds	400338	\$0	\$600,000	\$600,000
<b>TOTAL REVENUE</b>		<b>\$0</b>	<b>\$600,000</b>	<b>\$600,000</b>

<sup>1</sup> All direct program costs will be accounted for using activity 00FRF602PH9601A and all administrative and indirect costs will be accounted for using activity 00FRF602PH9601Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

## EXPLANATION

This request for \$600,000 in ARPA SFRF would be utilized for matching funds for a \$3,000,000 federally funded Congestion Mitigation and Air Quality (CMAQ) rail trail project in Warner to link Contoocook Village with downtown Warner.

Funds are budgeted as follows:

Class 040 - Indirect Costs to recover, per by RSA 21-I:75, a proportional share of the outside funding source to alleviate agency indirect costs.

Class 041 - Audit Set Aside to comply with RSA 124:16 that requires all agencies that receive federal funds to set aside a percentage (0.1%) of the federal revenue amount received to pay for financial and compliance audits.

Class 072 - Grants Federal to provide grantee, the town of Warner, with the matching funds for their CMAQ project.

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981.

- 1) List of personnel involved: None
- 2) Nature, Need, and Duration: ARPA federal matching funds for the town of Warner CMAQ rail trail project
- 3) Relationship to existing agency programs: None
- 4) Has a similar program been requested of the legislature and denied? No
- 5) Why wasn't funding included in the agency's budget request? It was not known at the time that DOT would be applying for American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SFRF)
- 6) Can portions of the grant funds be utilized? No
- 7) Estimate the funds required to continue this position(s): None.

Your approval of this resolution is respectfully requested.

Sincerely,



William J. Cass, P.E.  
Commissioner

**FY23 Single Audit Summary – Department of Administrative Services**

**Findings by Type**

	2019	2020	2021	2022	2023
Material Weaknesses	12	14	16	24	20
Significant Deficiencies	10	10	19	8	3
Other Matters	2	1	12	0	0
Total Number of Findings	24	25	36	32	23
Questioned Costs	\$ -	\$ -	\$565	\$137,790	\$12,843
Total SEFA Expenditures	\$2,347,708,136	\$3,769,518,769	\$4,613,207,725	\$3,560,841,478	\$3,597,177,164
COVID-19 Portion of Total SEFA Expenditures	N/A	\$1,214,083,853	\$1,989,425,089	\$811,629,106	\$846,705,492

**Qualified Programs\***

	2019	2020	2021	2022	2023
Number of Major Programs/Clusters Tested	16	14	18	19	19
Number of Programs/Clusters with Qualified Opinions	8	8	9	13	13

*\*A qualified opinion indicates the State did not comply with certain requirements applicable to a federal program that were considered necessary by the auditor for the State to comply with the requirements applicable to the program.*

## **FY23 Single Audit Summary – Department of Administrative Services**

### **Single Audit/Schedule of Expenditures of Federal Awards (SEFA) – Items to Note for Fiscal Year 2023**

- Medicaid program: For the first time in many years, there were no reportable findings and it is not a Qualified Program
- New section “H” in the book titled “Corrective Action Plans” identifying the responsible state agency for resolving the findings noted in section “F”
  - Types of potential audit findings: SEFA Reporting / Reporting / Cash Management / Procurement, Suspension and Debarment / Matching, Level of Effort & Earmarking / Period of Performance / Special Tests / Other
- Areas the State of NH historically has findings, and DAS provides training for state agencies:
  - Procurement, suspension & debarment – for certain transactions, recipients are prohibited from using federal funds to enter into subawards and contracts with parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs
  - Period of performance – expenditures claimed were incurred outside of the grant period; findings in this area can result in “questioned costs”
  - Subrecipient monitoring - a *subaward* is distinct from a contract in that a subaward is an award provided by a recipient of a federal award to a subrecipient to carry out part of a federal award on behalf of the recipient
  - Cash management – federal regulations require states to enter into “Treasury-State Agreements” that prescribe specific methods of drawing down federal funds for certain programs
  - Reporting – DAS encourages agencies to utilize project accounting and a grant management structure in the state’s financial system (NH FIRST)