



12/01/2015

Subject: HB2075 / New Funding Implementation and Management of 2 cent fuel tax monies.

Re: New Agency Software / Limitation Increase

HB 2075 will require ODA to distribute grants & funding:

Background: Per the passing of HB2075 ODA will be required to collect, manage and distribute funds from a 2 cent a gallon fuel tax increase, in accordance with the legislation of HB2075.

To accomplish the deliverables of HB2075, ODA will be responsible for the distribution of funding amongst 3 grant programs, whereby airport sponsors will submit applications to receive funding. The application process, as directed in the legislation, requires all applications and projects requesting funding be reviewed by an appointed committee utilizing members of ODOT's 5 Area Commissions of Transportation (ACT), followed by a final review from the Oregon Aviation Board who will rank and approve winning applications. We anticipate the review process will include an initial screening of the application by ODA for completeness. The release of grant monies will remain consistent with the Aviation Board's recommendations and final approval of project applications. ODA did not include any grant management software into the current biennium budget package because at the time of the budget preparation ODA had no knowledge that new monies for a grant program would be a part of the current budget. Costs for grant management software were not included into the current biennium's budget package due to the uncertainty of legislation getting passed to approve new monies towards a grant program during the course of the current budget.

ODA proposes to automate the grant process by incorporating a cloud-based software system that will effectively manage all aspects and phases of the process. Grant applicants are located all across the state of Oregon, as are the Aviation Board members, and the ACT Committee members who will represent the 5 ODOT Regions; therefore, an electronic process will benefit all parties involved. Through the software, applicants will apply for grants electronically and will have ongoing electronic access for grant coordination. Additionally, the reviewing members of the ACT Committee, the Aviation Board members, and select ODA staff will be granted access to the software to both review and comment on applications. With the life cycle grant management software, the electronic process will give the Aviation Board members similar access as ODA staff to manage all phases of these processes, including the issuing of grants all the way through grant closeout.

Without a software program, ODA will be manually managing all of the aspects of the processes outlined above (i.e., grant email portals / creating a new FTP site/ utilizing hard copies/ mail and creating Excel templates data bases and spreadsheets). ODA does not currently have software tools that can allow this type of program to be effectively managed, with the exception of using Excel to create specific program related spreadsheets and databases. Additionally, we are limited by size of FTP sites, server and firewall issues and internal technical ability to design and create workable PDF applications. Also, ODA does not have a way to

automate the grant review process in which we need to distribute all applications to various reviewers and collect the reviewer's comments and rankings, as well as issue grant awards, grant monies and ongoing project/grant communication deliverables through the life cycle of a grant. Current ODA staff does not have the adequate expertise in database creation therefore, ODA will need to outsource the work to either a consultant, ODOT Central Services, or possibly hire a temporary employee for all IS/IT related services.

In the Agency's budget adjustment proposal for Board approval, ODA is requesting a limitation increase to procure grant life cycle management software to automate the grant program that will be associated with all of the monies associated with the collection and distribution of the 2 cent per gallon jet fuel tax as set for by HB2075.

Needs:

- Lifecycle Grant Management
- Funding accountability management and tracking
- Monitoring and Tracking of grants
- Grant or funding letting our allowances
- Grant expenditures tracking and monitoring (including burn rate)
- Online portal for fillable grant forms
- Online submittal system of grant applications
- Online collaboration tools for grant and funding reviews including rankings of grants to and from the statewide committee (ACT representatives located in all regions of the state and Oregon Aviation Board)
- Accounting of funds for all accounts as required by legislation to also be uploaded into our current accounting database
- Reporting tools and real time dashboard
- Collection of information in secure cloud based technology for all users to have access (including public portal, applicant portal, reviewer's portals, etc.) without state IS technology firewall issues and file size limitations – including security and storage and management.
- Ability to collect data from existing FAA and SCIP data base

ODA is looking to purchase off-the-shelf software that can be slightly modified to satisfy ODA's needs as well as the needs of the legislation and all internal and external stakeholders. The prospective software will have the capability to walk through the entire life of a grant, beginning from the application phase, through the reviewing and scoring steps, and all the way to the closeout of the grant. The portal not only makes the entire grant process cleaner by eliminating excessive paperwork, but it also creates transparency and simplifies communication between all involved parties. All documents and notifications will be easily accessed via the cloud, reducing the need for storage space in our Outlook inboxes and on our servers. The software does not have a maximum capacity for documents. Also, the software will verify whether the applicant has fulfilled all requirements in a grant application and alert them if certain information is lacking in real time. The software product that ODA has been reviewing appears to meet all of the needs of the program and has been successfully installed and integrated into other state agency grant management programs.

Aside from the benefits previously mentioned, the software has the capability to generate financial reports and charts or graphs. This functionality also reduces ODA staff time because it eliminates the steps of querying and downloading data into Excel, sorting the information, and manually creating accompanying visuals. Automating this program will significantly reduce the amount of staff time that manual processes take, as well as reduce the probability of human error that occur when paperwork is manually handled by multiple people.

PROBLEM STATEMENT:

With the passage of HB2075, ODA will be required to collect, manage, and distribute funds from a 2 cent per gallon increase in AV Gas, Jet fuel, and motor fuels tax. Per the legislation of HB2075, a portion of the funding will be used to cover administrative expenses and the remaining revenue will be distributed among three programs. Currently, ODA does not have software tools that can allow this type of program to be effectively managed.

Without the proper software program or system in place, ODA will need to manage the funding and its objectives by creating Excel spreadsheets, Access databases, and fillable forms using Adobe Pro for grant submissions. ODA's current staff does not have the adequate expertise in database creation, therefore without a software program that has these capabilities integrated, ODA will need to outsource the work and manually track all aspects of the program.

Additionally, ODA will need to tie the applications into our current online .gov web page that has additional security firewalls that may not allow for a seamless or any transfers of data. Also, our government email system does not allow large incoming or outgoing files and includes an overall limit of entire mailbox data.

Agate IntelliGrants Software will automate the entire grant life cycle, beginning with the application phase, through the reviewing and scoring steps, and all the way to the closeout of the grant. The software is an off-the-shelf product that will be slightly modified to fulfill ODA's needs as well as those of other stakeholders through the use of an online portal.

AGENCY ANALYSIS

Alternatives – ODA has reviewed grant management software, including Agate IntelliGrants and GCR. The alternative option to new software would be to manually administer the program by creating Excel spreadsheets, creating new databases in Access, and creating new fillable forms through Adobe Pro.

Cost/benefit - The portal makes the entire grant process efficient by eliminating excessive paperwork, but it also creates transparency and simplifies communication between stakeholders. Documents can be easily accessed via the cloud, reducing the need for storage space in our Outlook inboxes and on our servers.

Aside from the benefits previously mentioned, the Agate software has the capability to generate financial reports and charts or graphs. This functionality reduces staff time by eliminating the steps of querying and downloading data into Excel, sorting the information, and manually creating accompanying visuals.

The Agate software is also very user friendly and reduces the legwork associated with our new grant program. Although the process for the grant program will somewhat mirror the existing FAM Grants process, it is a brand new program and the likelihood of unforeseen obstacles is a possibility. It is our goal to create a viable workflow that allows for seamless communication and for the transfer of information/documents between all parties.

Feasibility/Risk assessment - Agate has completed over 100 implementations of software across 27 states and has 3 statewide contracts. The Agate IntelliGrants software is mostly off-the-shelf and requires little development in data entry and system training.

Impacts on current environment & other relevant business factors

The online portal via Agate will have the following impacts the current environment:

- Grant applicants will submit and receive forms, applications, and updates electronically. Applicants will receive award letters or denials electronically as well;
- ODA staff will manage the financial components of the grant and will communicate with stakeholders through the portal;
- Review Committee will electronically review and score grant applications.

PROJECT SUMMARY

Current Project – As per new legislation in House Bill 2075, effective January 1st, 2016 ODA will be responsible for collecting, managing, and distributing funds across Oregon airports from a 2 cent fuel tax increase. Currently, ODA does not have adequate software with sufficient capabilities to administer the new program. Agate IntelliGrants software has the capability of walking users through the entire life cycle of multiple grants from beginning to end.

Community/Stakeholder impact –

Stakeholders:

- Oregon Department of Aviation;
- Airport sponsors/owners/municipalities of all Oregon System Airports;
- Oregon's Board of Aviation and review committee.
- Aviation ACT Committee

- State legislators
- Other Municipalities, Agencies and associated Ports
- FAA

Enterprise implications & opportunities –

Implications: The user will be required to have internet access.

Opportunities: The new software will significantly reduce ODA staff time; eliminate a vast amount of paperwork; streamline communication between ODA and external stakeholders; and create transparency in the grants process. Stakeholders will have the ability to gain access to an online portal that will allow them to apply for grants, view critical dates related to new or existing grants, and track the progress of awarded grants.

BUDGET IMPACT

Budget and resource implications - The estimated cost for the software and associated installation, set up, and implementation for budget purposes is approximately \$265,000. ODA does have the cash balance to add this program and project cost to the current biennium budget and ODA has confirmed this analysis with BAM and LFO and also coordinated preliminary Information Systems process issues with the DAS statewide IS/IT.

Relevance to the core mission of the agency: The Oregon Department of Aviation serves Oregon through a three-fold focus of advocating for the economic growth, infrastructure improvement and safe operation of aviation in Oregon. To accomplish this mission, the agency must adhere to a number of values, including efficiency and accountability. As the statewide transportation agency for aviation, ODA strives to gain maximum value from resources entrusted to it for the benefit of its stakeholders and community. This project will make the process more efficient through automation and enhance the attributes of having one single location for grant management.