PANDEMIC RECOVERY OFFICE

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Paul L. Dion, Ph.D.   *Director*

Memorandum

To: Agency Program and Finance Staff
From: Reily Connaughton, Chief of Staff, Pandemic Recovery Office
RE: Performance Indicator Tracking for State Fiscal Recovery Fund-Financed Projects
Date: March 31, 2022

This memo is intended to provide Agency Program and Financial Staff with the requirements and process for reporting key performance indicator data for all American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF) financed projects to the Pandemic Recovery Office (PRO) on a monthly basis.

Section 1: State Fiscal Recovery Fund Key Performance Indicator (KPI) Requirements

In May of 2021, the Office of Inspector General (OIG) of the U.S. Department of Treasury (U.S. Treasury) issued a report on the receipt, disbursement, and use of the Coronavirus Relief Fund (CRF) funds.[1] In that report, the OIG identified a number of CRF lessons learned, one of which was a need for performance indicators for SFRF financed projects and recommended that U.S. Treasury implement performance indicators in order to evaluate the effectiveness of ARPA financed projects.

In response to that OIG report, the U.S. Treasury has required that all projects financed with ARPA SFRF "must include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury."[2]

PRO has further clarified this requirement into two categories: U.S. Treasury Defined KPIs and State KPIs. Both are requirements.

o   **U.S. Treasury Defined KPIs** are specific federally required metrics, such as the number of affordable housing units developed and preserved.
o   **State KPIs** are required metrics that are left to the recipients of the award to determine. Agencies and PRO will coordinate in the creation of the state-level metrics to measure success in accordance with the goals of the administration and U.S. Treasury.

The two categories of KPIs will be reported separately at different regular intervals: both U.S. Treasury Defined and State KPIs will be reported monthly in the state transparency portal as well as annually in the U.S. Treasury-required Recovery Plan; U.S. Treasury Defined KPIs but *not* State KPIs will be reported quarterly in the U.S. Treasury-required Project and Expenditure Reports.

The U.S. Treasury requires that State KPIs should include both output and outcome measures:

o   Output measures provide valuable information about the early implementation stages of a project.
    o   Example: The number of students enrolled in an early learning program.

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[1] OIG-CA-21-020: American Rescue Plan - Application of Lessons Learned From the Coronavirus Relief Fund (treasury.gov)
[2] U.S. Department of the Treasury State and Local Fiscal Recovery Funds Compliance and Reporting Guidance

- o Outcome measures provide information about whether a project is achieving its overall goals.
  - o Example: The percentage of students reading on grade level.

A core pillar of PRO's mission is to assist agencies in compliance with the federal programmatic standards. The federal and state KPIs are intended to measure each project's success and compliance with ARPA, while providing the Governor and state leadership the information necessary to make evidence-based decision regarding the future allocations of state and federal resources.

Section 2: Approval Process

The first step in the KPI approval process is for Agency Staff to familiarize themselves with U.S. Treasury's KPI requirements.

The next step is for Agency Staff to apply U.S. Treasury Defined KPIs to their programs when required, and to draft State KPIs for their programs when applicable. These measures and the narratives describing them will be entered into the PRO Reporting and Compliance Form.

Next, agency staff will review the KPIs with the PRO project leads. The PRO team will assist agencies to ensure compliance with the U.S. Treasury Defined KPIs and with the creation of the State KPIs. After reviewing with the PRO team, a final review meeting with Dir. Dion will be scheduled.

After the final review meeting with Dir. Dion, agencies will be sent the approved Reporting and Compliance Form containing sign-off by agency leadership and the PRO team on all KPIs.

For projects that have already gone through the approval process, please refer to the approval notice issued by PRO for each project to find the final KPIs.

Section 3: Tracking

As indicated in the Memorandum of Agreement, PRO will require the collection of the KPIs "at least quarterly." In order to track performance and make adjustments to the State KPIs when necessary, the state will require monthly submissions.

For the monthly collection of performance data, agencies will receive a template by the 1st of each month. Agencies are required to submit the prior month's data on performance metrics by the 8th of each month. If that date falls on a weekend or holiday, agencies are required to submit the data the first business day following the weekend or holiday. Non-RIFANS Entities will be required to submit performance data by the 12th of each month.

For the collection of performance data for the March 2022 period, agencies will receive a template to fill in on April 1st. **The forms must be completed and sent back to the Pandemic Recovery Office by April 8th**. Non-RIFANS Entities will be required to submit performance data for the March 2022 period by April 12th.

Section 4: Publishing to the Transparency Portal

All KPIs will be posted monthly on **pandemicrecovery.ri.gov**.

Section 5: Contact

For the submission of performance data, please contact the PRO project lead for your agency.

If the contact for the monthly KPI updates is different than the program/financial contact provided on the Reporting and Compliance Form, please provide PRO with the correct contact.

Section 6: Grants Management System

Pending the implementation and capacity of the Grants Management System (GMS), future collection of KPI data will be through that system. We will provide guidance as the GMS is stood up and we transition this process into that system.

If you have questions, please contact your PRO project lead or me at reily.s.connaughton@doa.ri.gov.

Sincerely,

Reily Connaughton

Chief of Staff, Pandemic Recovery Office