

**RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING**

DEPARTMENT OF ADMINISTRATION

Title of Rule: RULES AND REGULATIONS FOR GRANT-MAKING
INVOLVING FEDERAL FUNDS

Rule Identifier: 220-RICR-20-00-2

Rulemaking Action: Proposed Adoption

Important Dates:

Date of Public Notice: December 2, 2022

Hearing Date: December 13, 2022

End of Public Comment: January 9, 2023

Rulemaking Authority:

R.I. Gen. Laws § 35-1.1

R.I. Gen. Laws § 35-6

Summary of Rulemaking Action:

This new proposed Regulation establishes a regulatory framework for grant-making by state agencies involving federal funds that is consistent with federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, also known as the Uniform Grant Guidance (UGG) 2 CFR 200. This Regulation shall promote fairness and consistent processes in grant-making. It is intended to expand transparency and access, and to remove barriers for grant seekers. This Regulation also supports the implementation of an enterprise-wide grant management system (GMS) to improve and modernize the subrecipient experience and subaward management by state agencies. This Regulation establishes a centralized location for grant seekers to find and apply for state grant opportunities, and subawards to be managed and tracked.

To date, in the absence of grant-making regulations and systems, RI has relied on procurement regulations and process for grant-making. However, Rhode Island purchasing regulations (220-RICR-30-00-1.8) explicitly identify grants as not procurements. Federal UGG (2 CFR 200.331) clearly establishes two paths for subawards: contractors (providing a good or service for the benefit of the awarding agency) and subrecipients (carrying out a public purpose on behalf of the awarding agency). Contracts will continue to follow the procurement process, while subawards will be managed through the GMS.

Additional Information and Public Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed adoption until January 9, 2023 by contacting the appropriate party at the address listed below:

Laura Sullivan

Department of Administration
Department of Administration, Accounts and Control
One Capitol Hill
Providence, RI 02908
laura.e.sullivan@omb.ri.gov

Public Hearing:

A public hearing, in accordance with R.I. Gen. Laws § 42-35-2.5, to consider the proposed adoption shall be held at which time and place all persons interested therein will be heard. This hearing is subject to R.I. Gen. Laws Chapter 42-46, Open Meetings.

Public Hearing Information:

Date: December 13, 2022

Time: 2:00 P.M.

Location: Department of Administration
One Capitol Hill
Conference Room 2A
Providence, RI, 02908

The seating capacity of the room will be enforced and, therefore, the number of persons participating in the hearing may be limited at any given time by the hearing officer in order to comply with safety and fire codes.

The place of the public hearing is accessible to individuals with disabilities. If communication assistance (readers/interpreters/captioners) is needed, or any other accommodation to ensure equal participation, please call 401-574-8423 or RI Relay 711 at least three (3) business days prior to the meeting so arrangements can be made to provide such assistance at no cost to the person requesting. For questions regarding available parking, please contact the agency staffperson listed above.

Regulatory Analysis Summary and Supporting Documentation:

The Department of Administration's Grants Management Office (GMO) conducted a regulatory analysis for the proposed regulation. There are three primary stakeholder groups affected by the proposal and alternatives: Grant Applicants and Subrecipients; State Agency Staff; and Application Reviewers. Applicants and Subrecipients are predominately local non-profit organizations, and units of local government. Reviewers are selected by the state agency to evaluate application materials for completeness, eligibility, and/or competitiveness.

The Department analyzed costs to the stakeholder groups. There are no fees for applicants, subrecipients or reviewers to use the system. Costs include the direct costs to the state of implementing and maintaining the grant management system (GMS), and the time and effort required of each group to adopt and use the GMS, relative to existing costs of applying for and managing grant funds. The Department also analyzed benefits to the stakeholder groups. Benefits include savings resulting from reduction in a) administrative burden; b) unspent and expired federal funds; c) the risk of violations and non-compliance with applicable laws; and d) the costs to resolve violations/non-compliance.

In the aggregate, the Applicant/Subrecipient stakeholder group is projected to experience net cost savings due to reduced administrative burden. Both costs and benefits for Reviewers are nominal and offsetting, with no net financial impact.

This Regulation supports a single system for applicants and subrecipients to use when applying for grants, managing subawards, and requesting/tracking subaward payments. It enhances internal controls, reducing risk of non-compliance with federal award requirements. When fully implemented, it will enable state agencies to dedicate more time on improving program management and outcomes, and less on recordkeeping and reporting.

For full regulatory analysis or supporting documentation contact the agency staffperson listed above.