

# Oversight of State Grants to Non-Profit Organizations: Legislative Options

April 28, 2010 Carol H. Ripple, PhD

## Today's Purpose

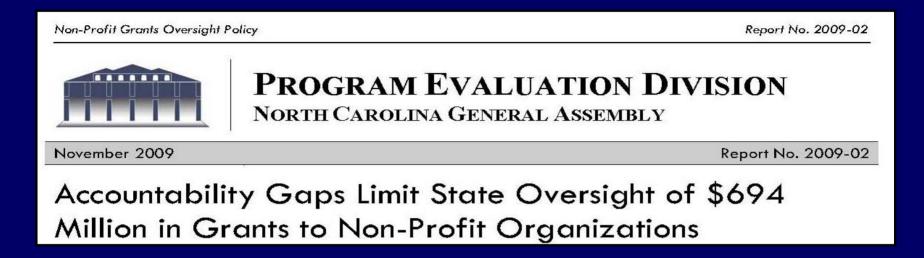
- Review the November report on state grants to non-profits
- Describe the subsequent working group
- Consider legislative action steps

## Non-Profit Grants Report: Focus

Does current oversight provide assurance that public resources granted to non-profits are spent in the way intended by the state?

- Policy review of oversight of state grants to non-profit organizations
- \$694 million in Fiscal Year 2007-08

## Non-Profit Grants Report: Summary



- Gaps remain despite recent progress on oversight of \$694 million in state grants to non-profits
- Statutes and rules should be changed to strengthen accountability and focus on performance

#### Working Group: Members

- Office of the State Auditor
  - Beth Wood
- Office of State Budget & Management
  - Anne Bander, Brandon James, Erin Matteson
- Office of the State Controller
  - Tom Newsome
- Bill Drafting
  - Emily Johnson
- Program Evaluation
  - Kiernan McGorty, Carol Ripple, Carol Shaw

# Working Group: Charge

- Review report recommendations
- Suggest potential action steps to improve accountability for state funds granted to non-profits

## **Action Steps: High Priority**

- Give agencies authority to withhold 2% of grant funds for oversight Statutory change required
- 2. Require contract benchmarks for reporting Statutory change optional
- 3. Require agency monitoring plans

  No statutory change required
- 4. Require performance measurement

  No statutory change required

# **Action Steps: Moderate Priority**

5. Require grantees to submit cash-basis reporting within 90 days of state fiscal-year end

Statutory change optional

6. Electronically stop payments to grantees on the suspension of funding list

No statutory change required

#### Summary

- Report identified gaps in accountability for \$694 million in funds granted to nonprofits
- Working group of key officials endorsed action on report recommendations
- Legislation can be drafted to implement action steps at your discretion