

Project and Budget Narrative

Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act

Massachusetts' 2020 CARES Act Spending Plan for Fisheries Relief



Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act

Organization: Massachusetts Division of Marine Fisheries (MA DMF)

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Project Title: Massachusetts CARES Act Spending Plan for Fisheries Relief

Project Objective: Disperse Massachusetts' allocation of federal CARES Act fisheries relief to eligible Massachusetts fishery participants negatively affected by the COVID-19 pandemic.

Project Period: This project will begin as soon as funds become available for dispersal, as agreed upon by the Atlantic States Marine Fisheries Commission; through funds exhaustion, a date no later than September 30, 2021.

Project Summary: MA DMF proposes to disperse approximately \$27.8 million in federal CARES Act fisheries relief to eligible Massachusetts fishery participants in the form of direct payments. Eligible participants include seafood wholesalers and processors, commercial fishing businesses, aquaculture businesses, and charter/for-hire fishing businesses that have suffered a minimum 35% economic revenue loss related to the COVID-19 pandemic; this includes all properly permitted tribe members. MA DMF has created four working groups to identify parameters and overcome challenges associated with eligible applicants. These four groups (sectors) are: seafood processing, commercial fishing, aquaculture, and charter/for-hire fishing. Based on available statistics, industry input, and federal guidelines, MA DMF will contact all potential applicants to determine eligibility for this aid. Based on eligible applicants, direct payments will be made within each of the four fisheries groups, based on a tiering system. MA DMF will accept and review any appellate applications prior to funds distribution to ensure all applicants have been considered prior to exhaustion of funds.

Project Budget: \$27,780,506

Date Submitted: June 19, 2020 (Amended July 10, 2020; July 15, 2020)

Project Description

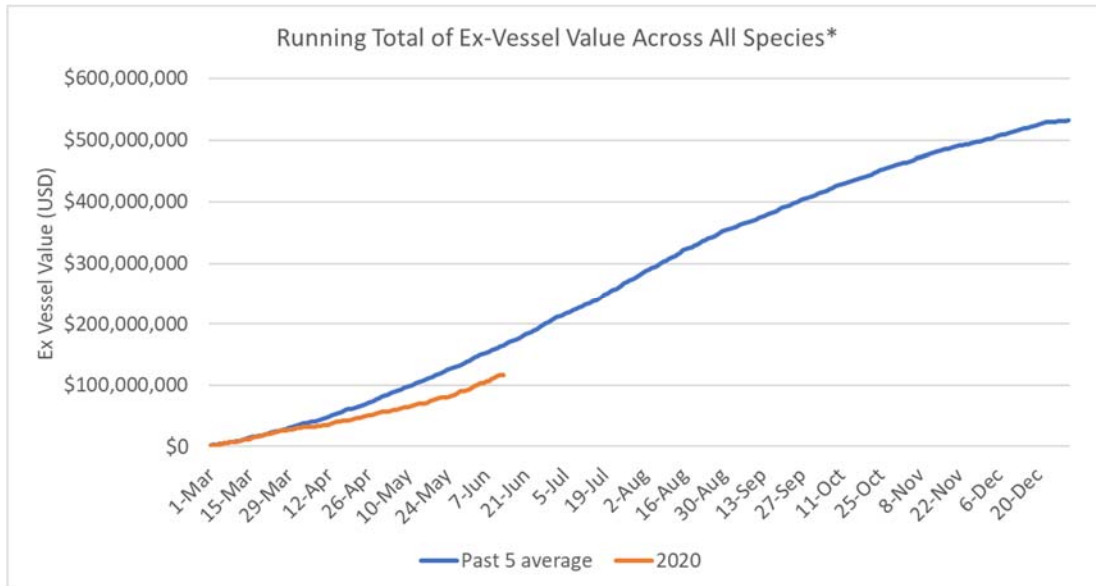
Background

The federal government provided \$300 million in disaster relief through Sec. 12005 of the Coronavirus Aid, Relief, and Economic Security Act for those seafood and fishing industry sectors negatively affected by the COVID-19 pandemic. Twenty-eight million dollars of this funding was allocated by NOAA Fisheries to the Commonwealth of Massachusetts based on revenues from the seafood processing sector (51.2%); the commercial fishing and aquaculture sectors combined (47.3%), and the for-hire sector (1.5%). Note that allocations were driven by past revenues and not estimated scale of loss. The Massachusetts Division of Marine Fisheries (MA DMF) has been tasked with distributing these relief funds to four identified fishing sectors in need of relief: seafood processing, commercial fishing, aquaculture, and for-hire (head and charter boat fishing). MA DMF estimates that current economic impacts for this year could approach \$500 million and the \$28 million of CARES Act fisheries relief allocated to the state is estimated to only cover a portion of the losses. To date, over \$50 million in total losses in ex-vessel value alone have been documented in Massachusetts during the months of March through May with losses occurring in all fisheries (Table 1). The oyster aquaculture industry has suffered the greatest overall percentage losses with over 80% documented in the month of April. Despite a slight uptick in ex-vessel value in June 2020, value continues to trend significantly lower than in previous years (Figure 1). In short, this relief is sorely needed by our fisheries groups and we appreciate the funding allocated to assist them during these economically challenging times.

Table 1: March through May ex-vessel value losses in Massachusetts.

COMPARISON OF MARCH - MAY 2020 TO THE PREVIOUS 5 YEAR AVERAGE			
SPECIES GROUP	Previous 5-year Average Ex-Vessel Value	2020 Ex-Vessel Value	% Change in Ex-Vessel Value
SCALLOP	\$102,735,050.03	\$65,674,716.33	-36.07%
GROUND FISH	\$16,675,065.53	\$12,912,795.25	-22.56%
LOBSTER/CRAB	\$9,019,619.69	\$5,793,568.75	-35.77%
SURFCLAM/OCEAN QUAHOG	\$8,201,289.37	\$2,652,314.70	-37.51%
OYSTER	\$6,343,160.45	\$1,890,317.42	-70.20%
OTHER FINFISH	\$5,124,503.13	\$2,453,974.41	-52.11%
SOFTSHELL & RAZOR	\$1,393,730.73	\$1,077,280.71	-22.71%
OTHER BIVALVE	\$1,328,276.24	\$458,450.08	-65.49%
QUAHOG	\$917,971.64	\$573,671.79	-37.51%
OTHER INVERT	\$448,019.00	\$192,696.75	-56.99%
TOTAL	\$152,186,686	\$93,679,786	-38.44%

Data Source: SAFIS Dealer Reports, June 17, 2020; Data are preliminary and subject to change



Data Source: SAFIS Dealer Reports, June 17, 2020

*Surf clams and ocean quahogs values are not included.

Figure 1: Daily running total beginning March 1st.

Under federal guidelines, only those businesses that suffered a 35% economic revenue loss caused by COVID-19 relative to a previous 5-year period will qualify for these funds. Additionally, recipients may not be “made more than whole”; this will be evaluated on an annual basis and will take into account traditional revenue, funding provided through this program, and other forms of pandemic-related aid. Further, the determination of “made more than whole” will be based on a comparison to the average revenue earned across the previous 5-year period. Non-residents who participate in Massachusetts’ seafood economy should be eligible for relief in their home state. However, MA DMF has identified some non-resident MA permit holders, that do not hold a permit in their state of residence. These permit holders would otherwise not be recognized in their home state and it is appropriate to include these unique non-resident applicants as potential recipients for this aid allocated to Massachusetts.

NOAA Fisheries took into consideration negative impacts to subsistence, cultural, and ceremonial fisheries during the allocation process for this program. In Massachusetts there are no fishery-specific allocations (e.g. quotas) for tribes or known ceremonial fisheries that were affected. The Commonwealth recognizes aboriginal fishing rights allow the taking of fish for subsistence purposes, notably the harvest and consumption of those fish and shellfish by the harvester and his/her family. Fishing for these purposes was not restricted or constrained by the pandemic or by any state rules enacted in response to the pandemic. Massachusetts requires all persons, entities and tribes to be permitted to participate in the four named sectors of the fishing industry. Therefore, tribal businesses and tribal members that possess a valid permit and meet the established criteria for minimum activity level are eligible to apply for economic assistance in all of the sectors they are permitted to participate in.

Sec. 12005 of the CARES Act does not include coverage for seafood retail markets, restaurants, boat yards, and freshwater industries. MA DMF will be working with the Atlantic States Marine Fisheries Commission (ASMFC) to execute the distribution of funds.

Project Goals and Objectives

Goals:

MA DMF intends to completely disperse Massachusetts' allocation of federal CARES Act fisheries relief to eligible Massachusetts fishery participants negatively affected by the COVID-19 pandemic, with all funds to be dispersed no later than September 30, 2021.

Objectives:

- Use working groups to determine parameters for funds distribution (spending plan) within four sectors: seafood processing, commercial fishing, aquaculture, and charter/for-hire fishing.
- Notify all permit holders of their potential eligibility based on available statistics, industry input, and federal guidelines.
- Review all initial and appellate applications for eligibility before determining a sum amount direct payment to each eligible recipient within a fisheries sector.
- Report all amounts to the ASMFC for final funds distribution, including direct payments made by MA DMF for head boats in need of immediate assistance.

Statement of Work

Approach

Over the past 20 years, MA DMF has been involved with six disaster relief programs. Based on experience with these programs, MA DMF assembled an industry-based advisory panel to guide the development and administration of this relief program. The advisory panel members are representatives from the various affected industry fishing sectors. The advisory panel held their first meeting virtually on June 2, 2020, to discuss eligibility criteria, proposed allocations of relief monies by sector, potential challenges in qualifying businesses and distributing funding, and the development of sector-specific working groups to develop spending plans.

From this advisory group, four working groups (one for each sector: seafood processing, commercial fishing, aquaculture, and charter/for-hire fishing) were created to discuss certain challenges such as the development of minimum thresholds for eligibility; the establishment of caps on total payments received; the use of scalars or multipliers based on activity or revenue thresholds; allowing applicants to receive funding from multiple sectors; and to address funding received from other pandemic related relief packages. There were also sector-specific challenges thoroughly discussed within each group. Since June 2, 2020, each working group has met twice and the discussions have resulted in sector-specific spending plans intended to be as inclusive as possible for those participants whose income is dependent on Massachusetts fisheries. Below is a detailed plan to distribute funding for each identified sector. The methodology in the following Detailed Spend Plan, once reviewed and approved by NOAA, may be used for any future funds appropriated by Congress for the same purpose.

Proposed Spending Plans (by Sector)

MA DMF intends to disperse \$27,780,506 in CARES Act fisheries relief via direct payments to eligible Massachusetts fishery participants. All recipients shall be valid permit holders with one or more of the following permits: commercial fishing permit, wholesale dealer permit, aquaculture propagation permit, and for-hire recreational permit. MA DMF is requesting that

ASMFC handle all suggested payments to identified recipients, with the exception of the for-hire head boats. Eligible for-hire head boat permit holders will be paid directly by the Commonwealth, with a reimbursement request made to ASMFC for these funds.

MA DMF allocated funds to each sector based on the revenue percentages identified by NOAA, with a few modifications. The for-hire sector's allocation has been increased by MA DMF forgoing charging of allowable administrative fees, and through minor adjustments to the funding allocated to seafood processors. The slight increase to the for-hire sector was adopted to help mitigate the loss to that sector resulting from business closure restrictions that effectively kept that sector completely shut-down. Based on state commercial landings data, aquaculture purchases make up roughly 1.2% of the total revenue estimated by NOAA; however, the sector allocation was set at 2.4% to better reflect the disproportionate impact experienced by the industry, compared to the commercial industry as a whole. Through internal and working group discussions, it has become clear that some Massachusetts businesses derive their fisheries-related income from multiple sectors, and, as such, those businesses would be allowed to apply in each qualifying sector, provided they can clearly differentiate the qualifying revenue attributed to each sector.

MA DMF will mail applications to all Massachusetts permit holders for CARES Act fisheries relief. Each application will identify the sector(s) under which he/she may be eligible, and indicate whether the permit holder, based on each sector's specific eligibility criteria, meets the minimum thresholds to receive this aid. If the permit holder does not agree with that determination, he/she can use the appeals process to provide additional documentation to be considered for direct relief payment. Appeals are further detailed in the sector specific sections of this document. Each sector will review all initial and appellate applications prior to funds distribution to ensure all applicants have been considered prior to exhaustion of funds. Detailed below are spending plans, eligibility criteria and appeals process for each sector.

All identified recipients, for all sectors, must meet the following minimum criteria:

- Self-certify that he/she has suffered a 35% revenue loss caused by COVID-19 relative to a previous 5-year period. Five-year averages must be calculated using 2015–2019, unless an entity has not been in operation for any one or more of the preceding five years. In this case, the applicant can provide clarification of the average used to calculate eligibility in the "Revenue Loss" section of their application. Must have been an active participant in their sector for a minimum of one year.
 - Each sector will identify this specific period of measure for COVID-19 loss
- Self-certify that he/she will not be made more than whole through traditional revenue, funding from this program, and other forms of COVID-19 pandemic-related aid
- Self-certify that he/she is not in violation of any federal laws as required by a federal affidavit
- Be the holder of a Massachusetts permit for 2020 and previous years as required
- Be an active participant in a Massachusetts fishery sector as determined by the Division of Marine Fisheries permit database and other available documentation as specified in the sector specific plans detailed in this proposal
- Be 18 years or older at the time of application submission

Seafood Processing/Wholesale Dealers Spending Plan

- Allocation for this sector: \$13,779,789
- COVID-19 timeframe for evaluation of lost revenue: March 10, 2020 – June 30, 2020. No payments will be made or held for projected losses.
- Qualifying criteria: MA DMF will use the applicant's self-reported, verifiable data, (e.g. tax returns) to determine tiering, payments, and certain other eligibility criteria including valid 2020 Wholesale Dealer permit, minimum average annual wholesale seafood sales of at least \$100,000 over the past 5 years, and at least 70% of total wholesale business revenue must be from wholesale seafood sales.
- Payment determination: Applicants will be binned/tiered based on the number of employees, with each bin receiving a specific number of shares used to determine the payment per bin assignment. Employee numbers will be collected on a pre-application questionnaire, verifiable by IRS Form 941. Number of employees is being used as a proxy for business size.
- Special considerations: Applicants (businesses) that operate multiple Massachusetts permitted facilities under one EIN will only be eligible to apply once.
- Application period and appeals: The timeframe for application mailing and appeals will have a two-week application and two-week appeal period for qualification.
- Appeals: Applicants will be able to appeal their eligibility and tiering if they believe any of the information they provided or that MA DMF had on file was inaccurately recorded. All appeals will be handled on a case by case basis. MA DMF personnel will work with applicants on appeals to ensure a proper determination is made.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, the sector allocation will be divided upon a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum will be reported to ASMFC for payout to the recipient.

Commercial Fishing Businesses Spending Plan

- Allocation for this sector: \$11,828,404
- COVID-19 timeframe for evaluation of lost revenue: March 15, 2020 – July 31, 2020. No payments will be made or held for projected losses.
- Qualifying criteria: MA DMF has an excellent Statistics Program which has provided all dealer-certified data for ex-vessel price, yearly amounts and averages, and identification of active fishers. These statistics will be used to establish minimum criteria, identify applicants, and determine preliminary tiering amounts based on dealer-reported data (see qualifying criteria and tiering below). Applicants who choose to appeal their determination will need to provide additional documentation to establish qualification.
- Payment determination: Applicants will be binned/tiered based on ranking criteria, with each bin receiving a specific number of shares used to determine the payment per bin assignment.
- Special considerations: Applicants with more than one commercial fisheries permit will be allowed to submit separate applications for each permit; each application will be evaluated using eligibility criteria for consideration of payment.
- Application period and appeals: The timeframe for application mailing and appeals will have a two-week application and two-week appeal period for qualification.

- Appeals: Applicants will be able to appeal their best annual ex-vessel income from wild harvest landings during the previous 3 years if they believe the data MA DMF has available is inaccurate. All appeals will be handled on a case by case basis. MA DMF personnel will work with applicants on appeals to ensure a proper determination is made.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, the sector allocation will be divided upon a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum will be reported to ASMFC for payout to the recipient.

Commercial Sector Tiering and Qualifying Criteria based on available statistics data and recommendations of the Commercial Sector Working Group: Best annual ex-vessel income from wild harvest in the previous 3 years (2017-2019) will be used to bin commercial permit holders. Any individual making less than \$15,000 will be ineligible for relief. Tiers were developed by ranking all remaining harvesters by best annual income from 2017-2019 and dividing into quartiles. To accommodate the large value span in the 3rd and 4th quartiles, the number of harvesters in each was divided in half resulting in 6 total tiers. These value bins will be used to tier the permit holders who apply and qualify.

TABLE 2: COMMERCIAL SECTOR TIERING SYSTEM			
TIER	SHARE	TIER MINIMUM	TIER MAXIMUM
0	0	> \$0	\$15,000
1	1	> \$15,000	\$31,050
2	2	> \$31,050	\$70,500
3	3	> \$70,500	\$119,000
4	4	> \$119,000	\$217,275
5	5	> \$217,275	\$521,500
6	6	> \$521,500	\$8,100,000

Aquaculture Operations Spending Plan

- Allocation for this sector: \$1,152,652
- COVID-19 timeframe for evaluation of lost revenue: March 15, 2020 – June 30, 2020. No payments will be made or held for projected losses.
- Qualifying criteria: A straight-forward breakdown of eligible propagation permit holders' revenue will be used to qualify applicants and determine a tiering payment system.
- Payment determination: Applicants will be binned/tiered based on ranking criteria, with each bin receiving a specific number of shares used to determine the payment per bin assignment as further described below.

- Special considerations: Grower/Dealers may qualify in the Aquaculture sector and Seafood Processing sector based on qualified revenue portion from each sector and having met all other eligibility requirements.
- Application period and appeals: The timeframe for application mailing and appeals will have a two-week application and two-week appeal period for qualification.
- Appeals: Applicants will be able to appeal their best annual ex-vessel income from cultured landings during the previous 3 years if they believe the data MA DMF has available is inaccurate. All appeals will be handled on a case by case basis. MA DMF personnel will work with applicants on appeals to ensure a proper determination is made.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, the sector allocation will be divided upon a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum will be reported to ASMFC for payout to the recipient.

Aquaculture Sector Tiering and Qualifying Criteria based on available statistics data and recommendations of the Aquaculture Sector Working Group: Best annual ex-vessel income from cultured landings in the previous 3 years (2017-2019) will be used to bin aquaculture growers. The lowest bin was defined as >\$0-\$7,500 to get some relief to those lower tier growers at a quarter share. From \$7,500 - \$300,000, value was divided into 7 equal sized bins, and everything greater than \$300,000 will be placed into the top tier.

TABLE 3: AQUACULTURE SECTOR TIERING SYSTEM			
TIER	SHARE	TIER MINIMUM	TIER MAXIMUM
0	0.25	> \$0	\$7,500
1	1	> \$7,500	\$49,286
2	2	> \$49,286	\$91,071
3	3	> \$91,071	\$132,857
4	4	> \$132,857	\$174,643
5	5	> \$174,643	\$216,429
6	6	> \$216,429	\$258,214
7	7	> \$258,214	\$300,000
8	8	> \$300,000	\$2,400,000

Charter/For-hire Fishing Businesses Spending Plan

- Allocation for this sector: \$1,000,000
 - \$416,000 is allocated for eligible head boat permit holders
 - \$584,000 is allocated for eligible charter boat permit holders.

- COVID-19 timeframe for evaluation of lost revenue: March 1, 2020 – June 30, 2020. No payments will be made or held for projected losses.
- Qualifying criteria: MA DMF will use vessel registration/documentation records, VTR data, and annual survey data on file with MA DMF to determine eligibility and tiering thresholds for selected ranking criteria. Ranking criteria will include vessel activity level and vessel size. Thresholds will be established separately for the two for-hire modes.
- Payment determination: Applicants will be assigned a ‘payment bin’ based on ranking criteria that will include both vessel size and for-hire activity level, with each bin receiving a specific number of shares used to determine the payment per bin assignment. Holders of multiple for-hire permits may apply and be eligible for payment for each permit with no specific cap on the payment received.
- Special considerations: Non-resident permit holders may be eligible if not permitted and receiving CARES Act Sec. 12005 for-hire fishing aid in their home state. Non-resident applicants will need to self-certify that they are not permitted or receiving CARES Act aid from their home state, and this will be further verified by the MA DMF.
- Application and appeals period: The timeframe for application mailing and appeals will be mode-specific. Due to the clear qualification of Massachusetts head boats, MA DMF anticipates a one-week application and appeals period in order to expedite payments to this subsector. The remaining for-hire subsector (charter boat) will have a two-week application and two-week appeal period for qualification.
- Appeals: Applicants will be able to appeal the size of their vessel on file with MA DMF based on USCG Documentation and/or state vessel registration records only. For-Hire Head-Boat applicants can appeal activity level based on vessel log books, which will be reviewed by MA DMF personnel. For-Hire Charter Boats can appeal activity level based on for-hire income as listed on tax records and average revenue per chartered trip to determine a proxy for the number of for-hire trips in a given year. Other appeals, such as state of residency, will be reviewed by MA DMF personnel on a case by case basis.
- Decision making and total funds distribution: After all initial and appellate applications have been received, reviewed, and confirmed, each subsector’s allocation will be divided upon a tiering model. Each successful applicant will be assigned a direct payment based on their qualification data. This direct payment sum for charter boats will be reported to ASMFC for payout to the recipient. The direct payment sum for head boats will be made from MA DMF with a subsequent reimbursement request to ASMFC accompanied by all the required documentation submitted to the Commission.

Eligible applicants in the For-Hire Head Boat Sector will be tiered according to vessel size and receive a share per the following formula:

Bin Shares

Activity Level in For-Hire Fishing Head Boat

		Inactive	Limited (10 to ≤ 40 trips)	Active (41+ trips)
Vessel Size	Small (≤ 40’)	0	0.0625	0.25
	Medium (41’ to ≤ 65’)	0	0.15625	0.625
	Large (66’+)	0	0.25	1

Eligible applicants in the For-Hire Charter Boat Sector will be tiered according to vessel size and receive a share per the following formula:

Bin Shares

		Activity Level in For-Hire Fishing Charter Boat	
		Ineligible (< 50 trips)	Active (≥ 50 trips)
Vessel Size	Small (< 28')	0	0.5
	Large (≥ 28')	0	1

Project Management

Principal Investigator (PI) Kevin Creighton will oversee this entire project. MA DMF employees will serve as Chairs overseeing working group discussions and decision-making. A MA DMF Program Coordinator will assist PI Creighton with applications and fishery participant information. PI Creighton will work directly with Laura Leach, ASMFC Director of Finance & Administration, to coordinate payments based on MA DMF’s final decisions for eligibility and sum payment. After funds distribution, a final report will be submitted to ASMFC to document distribution of this relief program.

Expected Benefits

Massachusetts’ fisheries play an enormous role in Massachusetts’ overall economy. We have a unique chain of harvesters, dealers, growers, and tourist-related industries dependent on our fisheries. When COVID-19 essentially shut down international, domestic, and local markets, our fisheries stalled, as well as the economic supply chain that followed. This aid will not make our fisheries whole, but it is our hope that it will assist them in some meaningful way until a time when the economy and lifted restrictions can support normal distribution.

Project Budget

MA DMF CARES Act Fisheries Relief Budget			
	Rate	Quantity	Cost
a. Personnel			\$4,633
Program Coordinator I		4 weeks	\$4,633
b. Fringe Benefits			\$1,802
Fringe on straight salary	37.03%		\$1,716
Payroll Taxes on salary	1.85%		\$86
c. Travel			\$0
d. Equipment			\$0
e. Supplies			\$3,000
Mailing materials			\$3,000
f. Contractual			\$27,344,845
Direct payments to CARES Act Fisheries Relief recipients			\$27,344,845
h. Other			\$425,000
Postage			\$9,000
Direct payments to For-Hire Head Boat Operators			\$416,000
i. Total Direct Charges			\$27,779,280
j. Indirect Charges	(personnel only)	26.47%	\$1,226
k. Totals			\$27,780,506

a. Personnel \$4,633

MA DMF is requesting \$4,633 for four weeks of salary time for a Program Coordinator to assist PI Kevin Creighton in mailings, receipt of applications, organization of eligible fishery participant information, and final determination correspondence for these relief funds.

b. Fringe Benefits \$1,802

MA DMF is requesting \$1,802 to cover fringe benefits associated with the personnel request. The MA DMF proposed FY21 fringe rate of 37.03% and additional payroll tax rate of 1.85% are applicable to full time personnel salary. The fringe rate includes the costs for Group Insurance, Retirement, and Terminal Leave. The payroll rate includes the costs of Unemployment Insurance, Universal Health Insurance, Medicare, and Paid Family Medical Leave.

c. Travel \$0

d. Equipment \$0

e. Supplies \$3,000

MA DMF requests \$3,000 for printed materials and envelopes to mail 10,000+ applications to all potential aid recipients.

f. Contractual \$27,344,845

Direct payments to CARES Act Fisheries Relief recipients (\$27,344,845)

MA DMF requests \$27,344,845 in CARES Act fisheries relief to provide aid to eligible Massachusetts fishery participants negatively impacted by the COVID-19 pandemic. Payments will be made according to each sector's spending plan detailed in the project's Statement of Work. Listed below are the allocations for each sector's funds dispersal:

- Seafood Processing/Wholesale Dealers: \$13,779,789
- Commercial Fishing Businesses: \$11,828,404
- Aquaculture Operations: \$1,152,652
- Charter/For-hire Fishing Businesses: \$584,000

g. Construction \$0

h. Other \$427,000

MA DMF is requesting \$9,000 to cover the cost of postage to mail 10,000+ fishery participants for potential receipt of CARES Act fisheries relief. This cost reflects the weight of a mailing with a business envelope, return envelope, and 6 page application, (.85/each) for each piece of mail.

MA DMF is requesting \$416,000 to make direct CARES Act fisheries relief payments to eligible for-hire head boat operators in need of immediate assistance.

i. Total Direct Costs \$27,779,280

j. Indirect \$1,226

MA DMF is requesting \$1,226 to cover indirect costs associated with the personnel request. MA DMF has a proposed federally-negotiated modified total direct cost indirect rate of 26.47% applicable to personnel costs. A copy of this rate agreement is attached.

k. Total Project Costs \$27,780,506