Welcome

Please help yourself to breakfast.
Agenda

8:00 - 8:45am  Registration and Breakfast
8:45 - 8:55am  Welcome
8:55 - 9:25am  Michelle Sager, GAO
9:25 - 9:55am  Q&A and Discussion
9:55 - 10:00am Closing
Lessons from $600+ Billion in Federal Outlays: Grants Management Challenges and Reforms

REI Systems
George Washington University's Trachtenberg School of Public Policy & Public Administration
Grants Management Breakfast Forum

Michelle Sager, Director, Strategic Issues
U.S. Government Accountability Office (GAO)

March 21, 2019
Overview

• GAO’s Mission and Role
• Context
• Challenges
• Opportunities
• Questions and Discussion
GAO’s Mission and Core Values

**GAO’s Mission:**

GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

We provide Congress with timely information that is objective, fact-based, nonpartisan and non-ideological.

**Core Values:**

**Accountability**

Help the Congress oversee federal programs, policies, and operations to ensure accountability to the American people.

**Integrity**

Ensure that our work is professional, objective, fact-based, nonpartisan and non-ideological.

**Reliability**

Provide high-quality, timely, accurate, useful, clear and candid information.
GAO’s Role

- Provide timely, objective, fact-based, nonpartisan and non-ideological information to the Congress by:
  - auditing agency operations to determine whether federal funds are spent efficiently and effectively;
  - reporting on how well government programs and policies meet their objectives;
  - performing policy analyses and outlining options for congressional consideration;
  - investigating allegations of illegal and improper activities;
  - issuing legal decisions and opinions, and
  - advising Congress and the heads of executive agencies about ways to make government more efficient, effective, ethical, equitable, and responsive.
Total Federal Outlays for Grants to State and Local Governments, FY 1980–2016

2016 constant dollars (in billions)

- Federal grant outlays to state and local governments
- Non-Medicaid federal grant outlays
- Medicaid federal grant outlays

Source: GAO analysis of OMB data.
Networked Governance

50 States
Many state and quasi-governmental agencies

Federal
14 executive departments and over 200 agencies and sub-agencies

Nonprofit Sector
For example, approximately 33,000 human service nonprofit providers with federal contracts

Many Local
In 2012, there were over 90,000 local governments in the United States
3031 counties
19,519 municipalities
16,360 townships
12,880 school districts
38,266 special districts¹

For-profit Sector
Federal, state, and local contractors

¹ Examples of special districts include mosquito abatement districts, utility districts, water and sewer districts, transit authorities, etc.
Dynamic Nature of Federal Grants

- Total fiscal year 2017 grant spending: $675 billion
- Health and Human Services: $455 billion (20.8%)
- Agriculture: $38 billion (5.6%)
- Education: $42 billion (6.2%)
- All other agencies: $140 billion (67.4%)

Source: GAO analysis of OMB Analytical Perspective FY2019. | GAO-18-491
Central Tension of Grants Management

Ongoing Balancing Act

- Accountability
- Flexibility
Internal Controls and Oversight

**Stage 1: Preaward**
- Announce opportunity
  - Provide administrative and technical support
- Receive applications
  - Authenticate applicant, apply business rules, and ensure administrative compliance
- Review and decision
  - Conduct reviews (administrative, budget, policy, merit, business, application, certifications, and assurances)

**Stage 2: Award**
- Award notification
  - Notify the grantee and Congress and publicly announce the award

**Stage 3: Implementation**
- Disburse payment
  - Process payments to recipient
- Management and oversight
  - Conduct site visits and review recipient reports

**Stage 4: Closeout**
- Closeout
  - Review and reconcile final audit and other reports

Sources: GAO analysis of OMB guidance, agency policies and regulations, and program specific statutes. | GAO-18-491
Federal Contribution Amounts

Agency Monitoring of Grantee Compliance with Stevens Amendment

**Department of Labor**
DOL’s Employment and Training Administration said it monitors a percentage of its grantees each fiscal year for compliance with grant requirements, which may include Stevens Amendment requirements.

**Department of Health and Human Services**
Most HHS subagencies said they do not monitor grantees for compliance with Stevens Amendment requirements.

**Department of Education**
Education said it does not monitor grantees for compliance with Stevens Amendment requirements.

Source: GAO analysis of DOL, HHS, and Education information and responses to questions about monitoring practices, and photos from GAO image library collections Eyewire, Digital Visions, and Creatas. | GAO-19-282
Grant Closeout

Obstacles to Final Grant Reporting and Processing that May Impact Closeout

- Grantee under audit
- Grantee no longer in existence
- Manual report reconciliation process
- Disconnection between grant management and payment system
- Grant projects that require multi-jurisdictional review
- Delayed technical deliverable
- Final indirect cost rate approval
- Cost-sharing agreements/program income

Sources: GAO analysis of federal agency information. | GAO-16-382
Grant Training

Number of Grants Specialists and Non-Grants Specialists in the Grants Workforce at Selected Agencies as of March 2018

<table>
<thead>
<tr>
<th>Agency</th>
<th>Grants Specialists (1109 job series)</th>
<th>Other grants workforce (Non-1109 job series)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Human Services</td>
<td>739</td>
<td>1,851</td>
</tr>
<tr>
<td>Agriculture</td>
<td>317</td>
<td>5,508</td>
</tr>
<tr>
<td>Education</td>
<td>545</td>
<td>0</td>
</tr>
</tbody>
</table>

Number of employees

Source: GAO analysis of HHS, USDA and Education Information. | GAO-18-491
Evidence and Evaluation Requirements in Tiered Evidence Grant Life Cycle

**Preaward and award**
- Agencies announce the grant award and make award decisions.
- Grantees submit grant applications.

**Implementation**
- Agencies provide management and oversight.
- Grantees implement their service model.

**Closeout**
- Agencies review and reconcile final reports.
- Grantees submit final reports.

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**Tiered Evidence Grant Model**
*(The size of grant awards is linked to the strength of the evidence provided in the application.)*

- **Preliminary Evidence Tier**
  - Test promising practices
  - $1

- **Moderate Evidence Tier**
  - Build on practices with moderate evidence
  - $2

- **Strong Evidence Tier**
  - Replicate practices with strong evidence
  - $3

Source: GAO analysis of agency data. | GAO-16-818
Grants, Transparency, Evidence-Based Policy, and Accountability

• Digital Accountability and Transparency Act of 2014
  • Continued Implementation and Use of Data
• Foundations for Evidence-Based Policy Act of 2018
  • Open Government Data Act
• Cross-Agency Priority Goal in President's Management Agenda: Results-Oriented Accountability for Grants
Questions and Discussion
**GAO on the Web**

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