

**“Federal Grants Management: A Progress Report on
Streamlining and Simplifying the Federal Grants Process”**

Testimony by Kathy Crosby
Workforce Development Director, Goodwill Industries International, Inc.
Before the House Government Reform Subcommittee on
Technology, Information Policy,
Intergovernmental Relations and the Census

April 29, 2003

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to submit testimony on the reforms that sought to simplify the management of federal grants. I am Kathy Crosby, currently the Director of Workforce Development for Goodwill Industries International based in Bethesda, Maryland. I bring to today’s hearing over 20 years of experience and knowledge of nonprofit, federal grant management.

I commend this subcommittee’s commitment to streamlining and simplifying the federal grant management process and for holding this hearing to assess the efficacy of federal initiatives to accomplish this goal—initiatives such as The Federal Financial Assistance Management Act of 1999 and the Electronic Grants E-Government Initiative.

In my capacity at the national Goodwill Member Services Center (GII), I was responsible for the administration of a \$20 million Welfare to Work/Census Project from the Department of Labor, as well as an on-going \$1.9 million Technology Opportunity Grant from the Department of Commerce, and a \$500,000 Disability Employment Grant from the Department of Labor. I am also administering the third grant year of a Community Technology Center grant from the Department of Education.

In my previous capacity as the Vice President of Employment and Training at the Goodwill Industries of Greater Detroit, I managed over \$8.3 million in private and government grants. The government grants I managed included funding from the Departments of Health and Human Services, Education, and Labor.

I have been asked to testify today based on my professional experience with the federal grant management system and articulate the experiences and challenges I have witnessed of nonprofits navigating the federal grant process. To provide a clearer picture of the nonprofit experience, I would like to illustrate the complete “life cycle”—from locating and identifying federal grant funding, to closing out the grant. In this vein, I would like to describe the pre- and post- award phases.

Pre-Award Phase

Non-profits, like Goodwill, are finding the search and mining for federal funds to support and extend their mission increasingly challenging on several fronts. This mining process is complex in that the grant announcements are often difficult to decipher, and the requests for proposal language may be vague or conversely leading.

Many times, nonprofits, especially smaller nonprofits, are not adequately staffed to deal with the myriad of requirements needed to provide necessary information during the Request for Proposal (RFP) stage—the point at which many nonprofits are dissuaded from applying. Often a nonprofit’s grant search team and grant writer(s) also have other responsibilities and wear multiple “hats” in the organization and do not have the time or resources to fulfill initial application expectations.

Scanning various publications and websites, electronic bulletins and listserv messages often become shared tasks among staff. This is generally the case unless the nonprofit is positioned to devote full-time staff to the search task, which requires the:

- matching mission goals with that of grant goals,
- gauging organizational capacity to administer the grant,
- assessing collaboration potential with other organizations and nonprofits; and
- calculating financial resources with potential funding announcements.

These tasks are extremely time consuming and require a skill set to correctly understand the different definitions, vernaculars, and priorities of many federal agencies.

For example, what does the term “on the job training” mean to you? Well, the average person would think this is self-explanatory—training provided while one is on the job. However, this is hardly the case in the federal grant world. Various departments and agencies would define this term based on their interpretations and their departmental vernacular. For example, depending on the department, one of the following may be used as a definition of “on the job training”— 1) a subsidized work experience in the private sector; 2) a voluntary work experience at any job, or 3) a vocationally specific training opportunity.

That takes us to the challenge of reading grant announcements. Only experience from writing winning and failing proposals truly teaches grant personnel how to accurately read the combination of implied expectation, regulatory compliance, and funding authorization requirements contained in every published grant announcement. The style and process can vary drastically and requires that one knows as much as possible about the authoring, source agency.

Deciding to respond to a RFP leads to additional challenges. Scoring weights, length of proposals, time line for response, virtually all aspects of the RFP are filled with variables. All of the variables are likely driven by well-meaning attempts to: provide information, to lessen the volume of written documents for review, and to expedite the distribution of funds. To the nonprofit worker turned grant applicant, these variables are daunting. Standardized forms are scarce, and even delivery methods, deadlines, and acceptable formats remain variables that add stresses to the process.

And finally, support during the pre-award phase is limited. Concerns over possible ‘unleveling’ of the playing field results in limited communication between the department and grant seekers. This leaves nonprofits frustrated and in a state of confusion. Pre-award activity remains a mystery to some, daunting to others, and challenging to all.

Post-Award

Regardless of some recent efforts at federal agencies to create a guided post-award phase, post-award activity remains a challenge. Regardless of a nonprofit's experience with grant dollars, sorting out the details of the funding authorization, ensuing program regulations, and cross-cutting laws such as the Drug Free Workplace Act and the Americans with Disabilities Act, continues to be a challenge.

Nonprofit agencies search for grant dollars to support their mission and attract employees who share a passion for the organizational mission. They deploy resources as efficiently as possible in order to realize the maximum mission service—less on administration, and more for the targeted population the grant was designed to assist. For those nonprofits seeking to utilize federal funds, this passion may take the greatest toll during the post-award phase. Here, tight timelines, unexpected assurances attached to contracts, and the demands of diverse reporting dates and systems begin to take a toll.

Even as the nonprofit organization works to collect different data for each agency, which it will then need to report at different times with narratives in different formats, along with ancillary reports of differing demands, it is confronted by the challenge of building unique start-up timelines for each project and meeting varying technology demands.

Additionally, if the grant represents an opportunity to collaborate, other administrative challenges may arise. For instance, a collaboration to support persons with adaptive technology may connect a non-profit, a local college, and one-stop workforce agency. Three different Office of Management and Budget (OMB) circulars must be imposed, and the designated lead agency needs to understand them all. All of those rules will be subject to the interpretation of the granting agency, program monitors, and auditors. And likewise, an assortment of cross-cutting laws will likely affect each of the organizations in some way as they move to comply with the new contract.

At the National Grants Management Association (NGMA) conference held in May 2002, the Acting Director at the HHS Office of Grants Management explained the E-Grant initiative and vision to attendees as both a storefront for all customers of federal grants in finding opportunities for applying and managing grants, and as a facilitator for quality, coordination, effectiveness and efficiency of operations for grant makers and recipients. The storefront concept will be the easier of the two to implement. Clearly, in the post-award phase, it is the second part of this vision that will bring the greatest challenge to E-Grant implementation. The idea of quality measures and service coordination aligned across all agencies will be a Herculean feat to accomplish.

Challenges and Responsibilities

In my experiences, the challenges for the nonprofit community are many, but not unique, in their quest for federal funds. Staying current on evolving grant management processes is an ongoing challenge. To stay on top of changes, I maintain related memberships and subscriptions, as well as attending an annual update provided by a local training entity. In August 2002, that entity, Management Concepts, highlighted the new FirstGov.gov website during the annual Federal Grants Update. In doing so, they suggested more than twenty other links to use and monitor in order to stay current in the practice of grant management.

During Goodwill's Consensus to Build the 21st Century Workforce initiative, grassroots meetings were held nationwide to identify problems in the delivery of human services. Private, nonprofit, and public entities gathered in 13 cities to discuss the complex web of public funding structures related to employment, training and essential human services. The resulting document entitled, "Improving the Future for Low-Wage Workers", which I have provided to committee staff for your review, offers positive suggestions for improvement, but also reflects the concern among the participants on the grant funding system.

Operating grants for multiple federal agencies challenges Goodwill Industries International (GII) to plan and execute programs with very diverse expectations for performance and reporting. When those funds are subawarded to local Goodwills, it additionally challenges us to train, inform, support, monitor, and improve performance at that local level. It is there, at the local level, where the intent of the funding authorization is ultimately realized. And, it is there, where resources are lean and few, that the confusion regarding documentation, compliance, rules and reporting ultimately take the greatest toll—as front-line staff are distracted from providing essential services to clients due to ever-changing demands for data and documentation.

Nonprofits, like Goodwill Industries, are working to efficiently connect the resources of government with their communities. I hope the E-Grant initiative makes that increasingly possible.

Although the initiatives under review today have brought the complexities of identifying and securing federal grant funds for nonprofits onto center stage, I hope other ideas would be considered as this committee seeks to continue its efforts to reform federal grant management. I offer these following suggestions:

1. Use common definitions in grant proposals across all federal department and agencies and avoid differences and departmental vernaculars;
2. Implement common standards for RFP in timelines, formats, and scoring; and
3. Categorize grant opportunities by common services or service populations rather than by agency.

I thank you for accepting this testimony and look forward to future opportunities to be of assistance. I welcome any questions from the committee.