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GRANTS.GOV

Additional Action Needed to Address Persistent Governance and Funding Challenges

Why GAO Did This Study

In response to the Federal Financial Assistance Management Improvement Act of 1999, the Office of Management and Budget (OMB), among other things, deployed Grants.gov as the central grant identification and application portal for federal grant programs in 2003 and named the Department of Health and Human Services (HHS) its managing partner. As a result of funding and governance challenges—such as untimely contributions, a lack of performance metrics, unclear lines of authority, and confusion over roles and responsibilities among Grants.gov's governance bodies—that have adversely affected operations, GAO is required to examine (1) key factors HHS should consider when proposing a funding model for Grants.gov, and (2) how the Grants.gov governance bodies could address Grants.gov's previously identified governance challenges. To do this, GAO analyzed agency documents and interviewed officials at HHS, OMB, the Grants Executive Board (GEB), three case study agencies that manage similar E-Gov initiatives and three Grants.gov partner agencies.

What GAO Recommends

GAO is making four recommendations to HHS aimed at improving Grants.gov's funding calculation, cost tracking, and annual and strategic plan; and knowledge-sharing with other E-Gov initiatives. HHS generally agreed with our findings and recommendations.

What GAO Found

In keeping with OMB's expectation to move toward a fee-for-service model, starting with the fiscal year 2010 budget, the Grants.gov contribution calculation changed to better reflect agencies' use of Grants.gov's services. However, GAO found that the calculation results in different contribution amounts for agencies with similar usage profiles because the calculation includes a measure of agency size that does not correlate well with an agency's use of Grants.gov. For example, usage data for the fiscal year 2011 contributions indicates that the Department of Housing and Urban Development (HUD, a large agency) posted 40 grant opportunities and received 4,817 applications through the Grants.gov Web site while the National Endowment for the Humanities (NEH, a small agency) posted 42 opportunities and received 4,577 applications. However, HUD's contribution is $414,422 while NEH's is $155,159. In addition, GAO found that the Grants.gov Program Management Office (PMO) does not track and report on certain key costs, limiting partner agencies' ability to understand the relationship between services received and amounts paid for that service. Grants.gov also does not charge partner agencies for all known costs, which can result in some agencies subsidizing other agencies' use of the system. Finally, Grants.gov continues to suffer from untimely agency contributions. While the other E-Gov initiatives GAO spoke with report similar challenges, some take mitigating steps that aid them in managing delays. They are: (1) depositing partner fees/contributions into multiyear appropriation accounts and (2) receiving some form of funds from their managing partners until partner agency contributions become available.

Accountability and responsibility for Grants.gov performance among its governance bodies—the PMO, GEB and HHS's Office of the Chief Information Officer (OCIO)—remains unclear. Since GAO first reported on these issues in July 2009, some progress has been made clarifying roles and responsibilities, developing performance measures to track important aspects of system performance, and providing partner agencies with key performance and cost information. However, although the GEB and the OCIO continue to share responsibility for approving major changes to, and funding for, the Grants.gov system, there remains little evidence that the GEB-approved funding for Grants.gov is considered in HHS's review of Grants.gov as an IT investment as required by OMB guidance. In addition, Grants.gov's performance measures have not changed since GAO reported on them and still do not provide a clear picture of system performance. Finally, Grants.gov does not communicate some key performance and activity cost information with its partner agencies.

A new federal grants governance model under OMB review would merge various Grants.gov governance entities and serve as the federal grants advisory body responsible for establishing the direction for and coordinating all governmentwide grants initiatives, including Grants.gov. As a preliminary, concept document, it is understandable that it contains few implementation details; however, the proposal lacks even an overview of several critical elements, such as how grants initiatives would be managed as IT investments.

_____ **United States Government Accountability Office**