

## GRANTS MANAGEMENT

As the largest granting component in the Federal Government, the Department of Health and Human Services (HHS) plays a key role in the Federal grants management arena. Through its 300 plus assistance programs, HHS awards nearly \$158 billion of the total Federal grants awarded (estimated to be over \$250 billion).

Grant awards are considered to be financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money, or property in lieu of money, to an eligible recipient. Most of the HHS grant dollars awarded are in the form of mandatory grants.

- **Mandatory grants** are those that a Federal agency is required by statute to award if the recipient, usually a State, submits an acceptable State Plan or application, and meets the eligibility and compliance requirements of the statutory and regulatory provisions of the grant program. In the past, mandatory grants were sometimes referred to as “formula grants.” Mandatory grants include block grants, closed-ended grants, and open-ended entitlement grants.
- The HHS **discretionary grant** awards comprise only 12.5 percent of the total HHS FY 1998 grant funds, but they account for 92 percent of the total number of HHS grant awards made in FY 1998. Discretionary grants are those that permit the Federal government, according to specific authorizing legislation, to exercise judgment, or “discretion,” in selecting the applicant/recipient organization, through a competitive grant process. The types of activities commonly supported by discretionary grants include demonstration, research, training, service, and construction projects or programs. Discretionary grants are sometimes referred to as “project grants.”

Stewardship and oversight responsibilities for HHS grant programs involve a variety of administrative functions being performed on an ongoing basis. These administrative functions include: assisting OMB in its revisions of key OMB Circulars pertinent to grants administration; providing training and developing related guidance documents on these revised OMB Circulars; conducting oversight through a “balanced scorecard” approach; strengthening HHS indirect cost negotiation capabilities; updating internal Departmental grants administrative procedures; and utilizing a department-wide grants management information system to organize and consolidate grants award data across all HHS grant programs.

During FY 1999, HHS continued to provide assistance to OMB on the government-wide cost principles for non-profits and universities and various cost management projects. In addition, HHS worked on a controversial revision to OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations,” concerning grantee data subject to the requirements of the Freedom of Information Act (FOIA).

HHS continued with its implementation of the Grants Policy Directive (GPD) system, which is replacing the Departmental Grants Administration Manual with current and concise policy guidance. Training sessions were conducted for headquarters and regional operations to update HHS grants management staff on the OMB Circular changes, and to provide clarification on existing regulatory guidance and internal grants administrative policies.

HHS also continues to operate the Tracking Accountability in Government Grants System (TAGGS) containing department-wide grants award information. TAGGS training was offered to grants management and program staff across HHS.

Access to TAGGS information was made available to HHS staff via the Intranet.

GrantsNet, an Internet application, continues to provide on-line access to the most up-to-date policies, regulations, and other pertinent grants-related information.

### FY 1998 HHS GRANTS AWARDS

	TOTAL		MANDATORY		DISCRETIONARY	
	NUMBER	DOLLARS	NUMBER	DOLLARS	NUMBER	DOLLARS
<b>TOTAL</b>	59,689	\$157,903,292,908	4,736	\$138,156,439,610	54,953	\$19,746,853,298
<b>ACF</b>	6,588	\$35,469,380,896	2,729	\$30,792,440,700	3,859	\$4,676,940,196
<b>AHCPR</b>	373	\$64,305,612	0	\$0	373	\$64,305,612
<b>AOA</b>	695	\$849,592,216	605	\$838,799,647	90	\$10,792,569
<b>CDC</b>	2,204	\$1,925,728,831	61	\$179,574,631	2,143	\$1,818,580,573
<b>FDA</b>	144	\$21,642,729	0	\$0	144	\$21,642,729
<b>HCFA</b>	689	\$103,180,260,789	592	\$103,158,484,357	97	\$21,776,432
<b>HRSA</b>	6,400	\$3,395,880,020	408	\$1,212,674,078	5,992	\$2,183,205,942
<b>IHS</b>	1,108	\$503,115,801	57	\$442,377,835	1,051	\$60,737,966
<b>NIH</b>	39,981	\$10,295,685,376	0	\$0	39,981	\$10,295,685,376
<b>OS</b>	288	\$245,773,932	50	\$5,030,057	238	\$240,743,875
<b>SAMHSA</b>	1,219	\$1,951,926,706	234	\$1,599,484,678	985	\$352,442,028

The data in this report reflect awards made during FY 1998 since FY 1999 data is in the process of full reconciliation. The data will not necessarily agree with the FY 1998 or FY 1999 budget and accounting records (e.g., Medicaid's accounting adjustments) for several reasons. First, in some instances the data for awarded grants reflect, in addition to current year funds, the reobligations of prior years' funds. Second, costs of furnishing

personnel in lieu of cash are included in the grants data, but are recorded as personnel service costs in accounting records. Third, grants jointly funded are included in accounting records, but are not included herein unless awards are made by HHS programs. The number of grants is a count of projects or programs receiving grant funds, and is therefore less than a count of grant actions, since there may be multiple actions for a project in any fiscal year.

**HIGHLIGHTS**

- In FY 1998 HHS awarded nearly \$158 billion in grants; this included both discretionary awards totaling over \$19 billion, and mandatory awards totaling \$138 billion.
  - HCFA, which administers the Medicaid Program, awarded 65 percent (\$103.2 billion) of the total HHS grant funds, representing only 1 percent of the total number of grants. ACF awarded the next highest percentage (22.5 percent, \$35.4 billion) of the total HHS grant funds, representing 11 percent of the total number of grants.
  - The other ten OPDIVs awarded between 0.01 and 6.5 percent of the remaining 12 percent of HHS FY 1998 grant funds.
- NIH awarded 67 percent (39,981) of the total number of HHS grants in FY 1998, which is 52 percent of the discretionary grant funds, but only 6.5 percent of the total HHS grant funds in FY 1998. The remaining OPDIVs awarded between 0.24 and 10.7 percent of the total number of grants.
  - The six states receiving the most HHS mandatory grant funds (in billions) in FY 1998 are New York (\$17.8), California (\$16.9), Texas (\$8.5), Pennsylvania (\$6.5), Ohio (\$5.6), and Florida (\$5.3).

