

## **Streamlining Federal Grants Act**

The *Streamlining Federal Grants Act* (“Act”) improves federal grant administration by requiring each grantmaking agency to design and implement a plan to streamline grants and to coordinate grant administration reform across the government. The bill seeks to reduce burden and simplify compliance for communities and organizations applying for and managing federal grants.

**Coordination is Needed to Improve Grant Processes and Policies.** Federal grants are uniquely uncoordinated. Unlike the systems for federal procurement, there is no one standard set of rules, forms, and policies governing the administration of federal grants. Indeed, 51 agencies administer over 1,900 federal grant programs, using 191 different grants management IT systems. Applicants are routinely asked to enter the same information across forms and software systems. Similarly, Notice of Funding Opportunities, the announcements and requirements for grants, lack standardization across agencies.

This lack of coordination, transparency, and streamlining has persisted even as the amount of federal grants has increased from \$391 billion to \$1.13 trillion between 2007 and 2022. Successful implementation of recent major legislation like the Infrastructure Investment and Jobs Act will depend on effectively and fairly distributing grant funding to states, cities, localities and non-profits.

The Act contains five main directives to streamline and simplify federal grant administration:

- **Designate Senior Agency Officials for Grants:** Each grant-making agency designates a Senior Agency Official for Grants who will carry out responsibilities to streamline grant administration.
- **Create a Grants Council:** The Director of the Office of Management and Budget (OMB) will create a Grants Council. The Grants Council will lead efforts to simplify notice of funding opportunities, implement common data standards from the Grant Reporting Efficiency and Agreements Transparency (GREAT) Act, improve interagency coordination of grant outcome data sharing and collection, support the development of the federal grant workforce, and ensure compliance with cross-agency reforms.
- **Develop and Implement Agency Grant Improvement Plans:** The Director of OMB and the Grants Council will develop guidance for grant-making agencies to create plans to improve grant administration. These plans would require agencies to streamline the grant application process, implement plain language Notice of Funding Opportunities, ensure potential grant application have opportunities to receive training and assistance from the agency, and adopt grants management software solutions that meet established shared standards. Each agency will implement the plans and report on progress in their Annual Performance Reports, and the Grants Council will produce biannual reports on progress.
- **Improve Grants.gov:** The Director of the OMB and the Secretary of Health and Human Services (HHS) will study and improve Grants.gov, the government’s website for searching and applying for federal grants.
- **Require GAO Evaluations:** The Comptroller General is directed to identify barriers to accessing federal grants for underserved communities, and to evaluate the implementation of the Act.

### **The Act Builds on Bipartisan Legislation to Coordinate Federal Grants**

The Streamlining Federal Grants Act reauthorizes and modernizes the streamlining and coordination processes first put in place by the Federal Financial Assistance Management Improvement Act of 1999 (FFAMIA), which also directed agencies to create annual plans to streamline grant administration and to coordinate reforms across agencies.

When FFAMIA expired in 2007, the House and Senate passed bills with bipartisan support in to reauthorize streamlining efforts, but the bills were never reconciled. Since then, efforts to coordinate grants reform atrophied: the coordinating council was disbanded, and federal agencies have struggled to implement common data standards for grants as required by the Grant Reporting Efficiency and Agreements Transparency Act (GREAT Act). Testimony at a March 14<sup>th</sup> HSGAC hearing from a GAO official indicated that agencies' lack of coordination was the main barrier to implementing the GREAT Act.

### **The Act Codifies and Extends Existing Management Best Practices**

The Act has received positive support from federal agencies like OMB and HHS that are seeking to improve grant administration. The Act builds codifies and extends the proposals from the President's Management Agenda to create a community for federal financial assistance.

### **The Act Improves Access for Underserved Communities and Organizations**

The burden of the federal government's lack of coordination and standardization in grant administration falls hardest on communities and organizations that lack the resources to search and apply for federal grants – places which are more often smaller, more rural, and less resourced. These are often the communities who could benefit the most from federal funding.

The Act requires that grant-making agencies engage with underserved communities when creating their Grant Improvement Plans. Similarly, the Act requires agencies to improve the customer experience of grant application by requiring agencies develop plain language Notice of Funding Opportunities and improve language access.