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GRANTS MANAGEMENT

Observations on Challenges and Opportunities for Reform

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Strategic Issues

GRANTS MANAGEMENT

Observations on Challenges and Opportunities for Reform

Why GAO Did This Study

Federal outlays for grants to state and local governments totaled more than $674 billion in fiscal year 2017, equivalent to 3.5 percent of the gross domestic product in that year. GAO's previous work has found that growth in both the number of grant programs and level of funding has increased the diversity of federal grants to state and local governments.

GAO's work has also found that designing and implementing grants management policies that strike an appropriate balance between ensuring accountability for the proper use of federal funds without increasing the complexity and cost of grants administration for agencies and grantees presents a governance challenge. At the same time, several government-wide initiatives hold promise for advancing the transparency, efficiency, and effectiveness of federal grants.

This statement is based on GAO's prior reports on federal grants management and crosscutting issues related to managing for results across the federal government issued between 2005 and 2018. It addresses: (1) GAO's observations on long-standing challenges for federal grants management, and (2) opportunities to effectively advance current grant modernization initiatives.

What GAO Found

GAO has identified challenges to federal grants management in its work spanning several decades. These challenges include:

- **Streamlining:** Grants management requirements that are duplicative, unnecessarily burdensome, and conflicting require agencies to direct resources toward meeting them and can burden recipients of federal grants. GAO has reported on initiatives to streamline these requirements and address challenges grantees encounter throughout the grants lifecycle.

- **Transparency:** The Digital Accountability and Transparency Act of 2014 (DATA Act) required the Office of Management and Budget, the Department of the Treasury, and other federal agencies to increase the types of information available on federal spending, including grants. GAO has reported on progress in standardizing and expanding reported data, but has found inconsistencies with the completeness and quality of the reported information.

- **Collaboration and consultation:** Collaboration, particularly information sharing, is an important factor in effective grants management. GAO's work on interagency grants management reform initiatives found that inadequate ongoing communication with grantees sometimes resulted in poor implementation and prioritization of initiatives.

- **Duplication, overlap, and fragmentation**: Agencies' grants management practices, such as requirements to avoid duplication and overlap among grants before awarding them, can help agencies achieve cost savings and result in greater efficiencies in grant programs.

- **Internal controls and oversight**: GAO's work has identified weaknesses in grants oversight and accountability. For example, GAO has identified opportunities for agencies to more consistently close out grants when the grantee's period of performance has ended to ensure that grantees have met all requirements and identified opportunities to redirect or return unused funds.

Recent and proposed initiatives aimed at grants management reform present opportunities to improve the efficiency, effectiveness, and transparency of federal grants. GAO's work on federal grants management and managing for results has highlighted a number of key features for effectively implementing such crosscutting initiatives, which include: (1) establishing implementation goals and tracking progress, (2) identifying and agreeing on leadership roles and responsibilities, and (3) developing an effective communication strategy.

Further, given the number and diversity of grantor agencies and grant programs, it is important that any grant reform initiative integrate with other government-wide reform efforts on related issues across government, such as the grants-related Cross-Agency Priority goal, implementation of the DATA Act, and initiatives related to evidence-based policy. These efforts can be effective if they complement each other rather than run the risk of operating independently and potentially duplicating effort or working at cross-purposes.

United States Government Accountability Office

Chairman Palmer, Ranking Member Raskin, and Members of the Subcommittee:

Thank you for the opportunity to join you today to discuss issues related to federal grants management. GAO's previous work has found that growth in both the number of grant programs and level of funding has increased the diversity of federal grants to state and local governments and complexity in federal grants management processes. At the same time, several government-wide initiatives hold great promise for advancing the transparency, efficiency, and effectiveness of federal grants. These are important and challenging issues and I am pleased to have the opportunity to share observations from our large body of work on federal grants management as well as suggestions for moving forward with grant reform initiatives.

As we have previously reported, federal grants to state and local governments are an important tool of government. This policy tool provides funding for national priorities in many areas including health care, transportation, education, and social services. Federal outlays for grants to state and local governments totaled more than $674 billion in fiscal year 2017, equivalent to 3.5 percent of the gross domestic product (GDP) in that year.[1] Grants vary greatly in numerous ways including size, the nature of their recipients, and the type of programs they fund. In addition, substantial variation in the way federal agencies administer these programs has further increased their complexity. This diversity and complexity contributes to the challenge of government-wide efforts to address crosscutting grants management reforms.

Recent initiatives—including the administration's establishment of the Results-Oriented Accountability for Grants Cross-Agency Priority (CAP) goal through the President's Management Agenda (PMA)—present an opportunity for the federal government to help address long-standing grants management challenges. Congress has often asked us to evaluate grants management issues to inform efforts that focus on accountability, while maximizing the investment of billions of dollars in federal grant funding. Our work also reflects the intergovernmental perspectives inherent in the administration of these grants and includes insights from

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[1]Office of Management and Budget, *Analytical Perspectives, Budget of the United States Government for Fiscal Year 2019* (Washington, D.C.: 2018).

reviews of federal government agencies as grantors as well as the perspectives of grantees in their role as implementers of these grants.

Drawing on our prior federal grants management work as well as our work on managing for results across the federal government, my remarks today address: (1) observations on long-standing challenges for federal grants management and (2) opportunities to effectively advance current grant modernization initiatives. My testimony is based on our prior reports and testimonies on federal grants management, fiscal controls, and grant reporting as well as crosscutting work on government performance and transparency issued between 2005 and 2018. We used multiple methodologies to develop the findings, conclusions, and recommendations for the prior products serving as the foundation for this statement. A more detailed discussion of the prior reports' objectives, scope, and methodologies, including our assessment of data reliability, is available in the reports cited throughout this statement.[2]

The work upon which this testimony is based was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Observations on Grants Management Challenges

We have reviewed numerous aspects of federal grants management spanning several decades. A number of common themes repeatedly arise in this work and contribute to observations on long-standing challenges. These observations include aspects of:

- Streamlining

- Transparency

- Collaboration and consultation

- Fragmentation, overlap, and duplication

- Internal controls and oversight

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[2]See appendix I for more information on related reports.

Streamlined Grants Management is Critical to Effective Use of Federal Funds

Our work has shown that when grants management requirements are duplicative, unnecessarily burdensome, and conflicting, agencies must direct resources toward meeting them—which can make the agency's programs and services less cost effective and increase burden for grant recipients. For example, in 2016, we reviewed administrative requirements for federal research grants.[3] Officials from universities and stakeholder organizations we interviewed identified common factors that added to their administrative workload and costs for complying with selected requirements. These factors included:

- variation in agencies' implementation of requirements,
- pre-award requirements for applicants to develop and submit detailed documentation for grant proposals, and
- increased prescriptiveness of certain requirements.

We have also reported on a number of initiatives intended to address the challenges grantees encounter throughout the grants lifecycle. These initiatives include consolidating and revising grants management circulars, simplifying the pre-award phase, promoting shared information technology solutions for grants management, and improving the timeliness of grant closeout and reducing undisbursed balances.[4] Our work includes reviews of efforts to submit the Consolidated Federal Financial Report through a single system and to standardize notices of award to reduce reporting burden. In addition, the Digital Accountability and Transparency Act of 2014 (DATA Act) required the Office of Management and Budget (OMB) to establish a pilot program to develop recommendations for reducing reporting burden for recipients of federal awards.[5] In 2016 and 2017, we reported on the design and implementation of the OMB pilot program, known as the Section 5 Pilot, aimed at developing recommendations for reducing reporting burden for

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[3]GAO, *Federal Research Grants: Opportunities Remain for Agencies to Streamline Administrative Requirements*, GAO-16-573 (Washington, D.C.: June 22, 2016).

[4]GAO, *Grants Management: Improved Planning, Coordination, and Communication Needed to Strengthen Reform Efforts*, GAO-13-383 (Washington, D.C.: May 23, 2013); *Grants Management: Additional Actions Needed to Streamline and Simplify Processes,* GAO-05-335 (Washington, D.C.: Apr. 18, 2005).

[5]Pub. L. No. 113-101, § 3, 128 Stat. 1146, 1149–1151 (May 9, 2014) (*codified at* 31 U.S.C. § 6101 note). The DATA Act amended the Federal Funding Accountability and Transparency Act of 2006 (FFATA).

grant recipients and contractors.[6] We made a number of recommendations to improve the design of the Section 5 Pilot to ensure its consistency with leading practices for pilot design, which OMB has implemented. We continue to monitor implementation of the Section 5 Pilot through ongoing work and look forward to keeping the subcommittee informed about our findings.

Transparency of Grant Spending Can Inform Decision Making

To provide increased transparency to agencies, Congress, and the public, the DATA Act required OMB, the Department of the Treasury (Treasury), and other federal agencies to increase the types of information available on the more than $3.7 trillion in annual federal spending, including federal spending on grants. The law requires OMB and Treasury to establish data standards to enable the reporting and tracking of agency spending at multiple points in the spending lifecycle. Since enactment, OMB, Treasury, and federal agencies have addressed many of the policy and technical challenges presented by the act's requirements, including standardizing data elements across the federal government, linking data contained in agencies' financial and award systems, and expanding the types of data reported. However, in a 2017 report, we found inconsistencies in key award data elements and issues with the completeness and quality of the information reported. We made a number of recommendations to OMB and Treasury to clarify guidance to help agencies fully comply with DATA Act requirements and report accurate data and to disclose known data quality issues.[7] OMB and Treasury generally agreed with our recommendations. Once the accuracy of these data are improved, federal managers should be better able to make data driven decisions to address ongoing government management challenges and improve the effectiveness and efficiency of government programs.

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[6]GAO, DATA Act: *OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclose Limitations,* GAO-18-138 *(*Washington, D.C.*:* Nov. 8, 2017) and *DATA Act: Section 5 Pilot Design Issues Need to Be Addressed to Meet Goal of Reducing Recipient Reporting Burden*, GAO-16-438 (Washington, D.C.: Apr. 19, 2016).

[7]GAO-18-138.

Effective Grants Management Benefits from Collaboration and Consultation

The process of distributing federal assistance through grants is complicated and involves many different parties—both public and private—with different organizational structures, sizes, and missions.[8] A lack of collaboration among and between federal agencies, state and local governments, and nongovernmental grant participants presents a challenge to effective grants implementation. Given the complexity of managing intergovernmental grants, collaboration among the grant participants, particularly with regard to information sharing, is an important factor in effective grants management. For example, one of the lessons learned in our work on the American Recovery and Reinvestment Act of 2009 (Recovery Act)[9] is that increased accountability requirements and aggressive timelines require coordination—both vertically among levels of government and horizontally within the same level of government—to share information and work toward common goals during implementation.[10] Intra- and intergovernmental networks facilitated efforts to achieve the purposes of the act in an effort to efficiently and effectively spend the grant funds.

Our work on interagency grants management reform initiatives also found that inadequate ongoing communication with grantees sometimes resulted in poor implementation and prioritization of initiatives.[11] Our 2014 work on the Recovery Act illustrated how agencies can effectively approach ongoing communication. For example, the developers of Recovery.gov used input from user forums, focus groups, and usability testing with interested citizens to collect feedback and recommendations.[12] This information then informed the development of

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[8]GAO, *Grants to State and Local Governments: An Overview of Federal Funding Levels and Selected Challenges*, GAO-12-1016 (Washington, D.C.: Sept. 25, 2012).

[9]Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009).

[10]GAO, *Recovery Act: Grant Implementation Experiences Offer Lessons for Accountability and Transparency,* GAO-14-219 (Washington, D.C.: Jan. 24, 2014).

[11]GAO, *Grants Management: Grantees' Concerns with Efforts to Streamline and Simplify Processes,* GAO-06-566 (Washington, D.C.: July 28, 2006).

[12]As we previously reported, the Recovery Act provided about $812 billion to states, localities, and other entities; as well as to individuals through tax benefits and cuts; entitlements; and loans, contracts, and grants. Of that amount, about $219 billion was distributed as grants for use in states and localities (excluding Medicaid). The act required that funding recipients' reports on award and spending data be made available on a website. For additional information, see GAO-14-219.

the website from its initial stages. More recently, in our 2014 work on the DATA Act, we have noted OMB and Treasury efforts to allow the public to share their views and comment on the development of federal data standards.[13]

Identifying Fragmentation, Overlap and Duplication Could Result in Greater Efficiencies

Our prior work has shown that numerous federal grant programs created over time without coordinated purposes and scope can result in grants management challenges. Addressing these challenges may achieve cost savings and result in greater efficiencies in grant programs. Our work has underscored the importance of identifying fragmentation, overlap, or duplication in a number of federal programs, including grants management practices.[14] For example, in January 2017, we found that the National Park Service, Fish and Wildlife Service, Food and Nutrition Service, and Centers for Disease Control and Prevention had not established guidance and formal processes to avoid duplication and overlap among grants in their agencies before awarding grants. We recommended that these agencies do so, and they agreed.[15] In response, these agencies have taken a number of actions to address the recommendation. For example, the Department of the Interior provided us documentation showing that the Fish and Wildlife Service now requires that discretionary grant applicants provide a statement that addresses whether there is any overlap or duplication of proposed projects or activities to be funded by the grant. The Fish and Wildlife Service also updated its guidance to grant awarding offices instructing them to perform a potential overlap and duplication review of all selected applicants prior to making grant awards.

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[13]GAO, *Federal Data Transparency: Effective Implementation of the DATA Act Would Help Address Government-wide Management Challenges and Improve Oversight*, GAO-15-241T (Washington, D.C.: Dec. 3, 2014).

[14]GAO, *2018 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits,* GAO-18-371SP (Washington, D.C.: Apr. 26, 2018) and GAO's Action Tracker https://www.gao.gov/duplication/action_tracker/all_areas an online tool for monitoring the progress federal agencies and Congress have made in addressing the actions identified in GAO's annual Duplication and Cost Savings reports.

[15]GAO, *Grants Management: Selected Agencies Should Clarify Merit-Based Award Criteria and Provide Guidance for Reviewing Potentially Duplicative Awards*, GAO-17-113 (Washington, D.C.: Jan. 12, 2017).

Strong Internal Controls and Oversight Facilitate Effective Use of Grant Funds

Our prior work has shown that when awarding and managing federal grants, effective oversight and internal control is important to provide reasonable assurance to federal managers and taxpayers that grants are awarded properly, recipients are eligible, and federal grant funds are used as intended and in accordance with applicable laws and regulations. Internal control comprises the plans, methods, and procedures agencies use to be reasonably assured that their missions, goals, and objectives can be met. In numerous reviews, we and agency inspectors general identified weaknesses in agencies' internal controls for managing and overseeing grants. Specifically, we found that when such controls are weak, federal grant-making agencies face challenges in achieving grant program goals and assuring the proper and effective use of federal funds to help avoid improper payments. Our work has identified weaknesses in grants oversight and accountability issues that span the government including undisbursed grant award balances, single audit submissions that are late, and significant levels of improper payments in grant programs. Key grants management challenges related to internal controls and oversight that we have identified include:

- **Timeliness of grant closeouts.** Federal grant-making agencies must close out grants when the grantee's period of performance has ended in order to ensure that grantees have met all financial requirements and provide final reports as required. Closing out grants also allows agencies to identify and redirect unused funds to other projects and priorities as authorized or to return unspent balances to the Treasury. These accounts, and, in some cases, the undisbursed balances associated with them, persisted as an issue for agencies, as we reported in 2008, 2012, and 2016.[16] In January 2016, the Grants Oversight and New Efficiency Act (GONE Act) was signed into law.[17]

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[16]See GAO, *Grants Management: Attention Needed to Address Undisbursed Balances in Expired Grant Accounts*, GAO-08-432 (Washington, D.C: Aug. 29, 2008); *Grants Management: Action Needed to Improve the Timeliness of Grant Closeouts by Federal Agencies*, GAO-12-360 (Washington, D.C.: Apr. 16, 2012); and *Grants Management: Actions Needed to Address Persistent Grant Closeout Timeliness and Undisbursed Balance Issues*, GAO-16-362 (Washington, D.C.: Apr. 14, 2016).

[17]Pub. L. 114-117, 130 Stat. 6 (Jan. 28, 2016).

The act, passed in part in response to our work, required government-wide reporting of undisbursed balances in expired grant accounts.[18]

The GONE Act requires that agencies report on the grants for which the grantee's period of performance had expired for more than 2 years, including those with undisbursed balances and with zero dollar balances remaining in the accounts. In the fall of 2017, many agencies included in their annual Agency Financial Reports an appendix providing information required by the GONE Act. For example, the Department of Health and Human Services (HHS) reported almost $2 billion in undisbursed funds remaining in 16,603 grant accounts that were two years or more past their periods of performance and 6,512 grant accounts that had no funds remaining in them. HHS grant officials told us that they intend to close as many of these grant accounts as possible during this fiscal year.

- **Timely submission of single audits.** As we have previously reported, one key way that federal agencies oversee nonfederal grantees is through an audit of their expenditures of federal awards, referred to as a single audit. The single audit is an audit of the award recipient's expenditure of federal awards and of its financial statements. A single audit can identify deficiencies in the award recipient's compliance with the provisions of laws, regulations, contracts, or grant agreements and in its financial management and internal control systems. Correcting such deficiencies can help reasonably assure the effective use of federal funds and reduce federal improper payments. In 2017, we reported that of the five departments we reviewed—the Departments of Agriculture, Education, HHS, Housing and Urban Development, and Transportation—some of the departments' subagencies did not effectively design policies and procedures to reasonably assure the timely submission of single audit reports by award recipients.[19] In this report, we made 21 recommendations to these departments. Some action has been taken to date in response to these recommendations.

- **Avoiding improper payments of federal grants.** As we have previously reported, improper payments—payments that should not have been made or that were made in an incorrect amount—have

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[18]See Committee on Homeland Security and Governmental Affairs, United States Senate, *Grants Oversight And New Efficiency Act Report to Accompany S. 1115 to Close Out Expired, Empty Grant Accounts* (Washington, D.C.: Nov. 15, 2015).

[19]GAO, *Single Audits: Improvements Needed in Selected Agencies' Oversight of Federal Awards*, GAO-17-159 (Washington, D.C.: Feb. 16, 2017).

consistently been a government-wide issue. Since fiscal year 2003—when certain agencies were required by statute to begin reporting estimated improper payments for certain programs and activities—cumulative improper payment estimates have totaled about $1.4 trillion. Our reviews of Medicaid, a joint federal-state health care program and significant source of federal grant funding to state governments, have shown that the program is particularly vulnerable to improper payments, given its size, diversity, and complexity.[20] For example, Medicaid accounted for more than 26 percent ($36.7 billion) of the nearly $141 billion government-wide improper payment estimate in fiscal year 2017. We have also reported that federal spending for Medicaid is expected to significantly increase, so it is especially critical that appropriate measures be taken to reduce improper payments in this program.[21]

Opportunities to Effectively Advance Current Grants Management Initiatives

Recent and proposed legislative- and executive-sponsored initiatives aimed at grants management reform, present opportunities to improve the efficiency, effectiveness, and transparency of federal grants. Our work on the design and implementation of merit-based grant award selection and initiatives to manage for results across the federal government has highlighted a number of key features necessary to effectively implement such crosscutting initiatives.[22] Those features include:

- **Establishing implementation goals and tracking progress.** Our work highlighted the importance of establishing an implementation schedule and tracking progress toward priorities to help pinpoint performance shortfalls and suggest midcourse corrections, including any needed adjustments to future priorities and milestones.

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[20]Since 2003, Medicaid has been on our high-risk list, in part, because of concerns about the adequacy of fiscal oversight and the program's improper payments—including payments made for people not eligible for Medicaid or services not actually provided, For additional information, see GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others,* GAO-17-317 (Washington, D.C.: Feb. 15, 2017) and *Improper Payments: Actions and Guidance Could Help Address Issues and Inconsistencies in Estimation Processes*, GAO-18-377 (Washington, D.C.: May 31, 2018).

[21]GAO, *The Nation's Fiscal Health: Action Is Needed to Address the Federal Government's Fiscal Future*, GAO-18-299SP (Washington, D.C.: June 21, 2018).

[22]GAO-17-113, GAO, *Managing for Results: Further Progress Made in Implementing the GPRA Modernization Act, but Additional Actions Needed to Address Pressing Governance Challenges*, GAO-17-775 (Washington, D.C.: Sept. 29, 2017), and *Managing for Results: Implementation Approaches Used to Enhance Collaboration in Interagency Groups*, GAO-14-220 (Washington, D.C.: Feb. 14, 2014).

- **Identifying and agreeing on leadership roles and responsibilities.** Our work has shown that when interagency councils clarify who will do what, identify how to organize their joint and individual efforts, and articulate steps for decision making, they enhance their ability to work together and achieve results.

- **Developing an effective communication strategy.** We reported on the importance of two-way communication that allows for feedback from relevant stakeholders. For example, our work showed that grantees felt that a lack of opportunities to provide timely feedback resulted in poor implementation and prioritization of streamlining initiatives and limited grantees' use and understanding of new functionality of electronic systems.

In addition, given the number and diversity of grantor agencies and grantmaking programs, we believe it is important that any grant reform initiative integrate with other government-wide reform efforts on related issues. One such reform initiative is the PMA, which lays out a long-term vision for modernizing the federal government and improving the ability of agencies to achieve results. The PMA identified a set of CAP goals to target areas where multiple agencies must collaborate to effect change and report progress in a manner the public can easily track.[23] According to the PMA, one of the goals included in the agenda—the Results-Oriented Accountability for Grants CAP goal—is intended to maximize the value of grant funding by applying a risk-based data-driven framework that balances compliance requirements with demonstrating successful results for taxpayers. The PMA further states that this CAP goal seeks to standardize grant reporting data and improve data collection in ways that will increase efficiency, promote evaluation, and reduce reporting burden. Effectively advancing results-oriented accountability for grants will require that implementation of this CAP goal moves forward in tandem with related efforts to implement the DATA Act and advance the use of evidence to inform grant policy, highlighted below:

- **DATA Act implementation.** As our work has shown, the DATA Act will continue to be a critical driver of grants management change and reform. When fully implemented, the act will improve the accountability and transparency of federal spending data by (1) establishing government-wide financial data standards so that data are comparable across agencies and (2) holding federal agencies

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[23]See OMB, *President's Management Agenda* (Washington, D.C.: Mar. 20, 2018).

more accountable for the quality of the information disclosed. Such increased transparency provides opportunities for improving the efficiency and effectiveness of federal spending; increasing the accessibility of data to benefit the public and the business community; and improving oversight to prevent and detect fraud, waste, and abuse of federal funds. As efforts to implement the DATA Act move forward, we will continue to monitor implementation efforts and coordinate our efforts with agency inspectors general.

- **Evidence-based policy.** To better integrate evidence and rigorous evaluation in budget, management, operational, and policy decisions, OMB has encouraged federal agencies to expand or improve the use of grant program designs that focus federal dollars on effective practices while encouraging innovation in service delivery.[24] For example, OMB's efforts to foster a culture of evidence-based policy resulted in several federal agencies' implementation of tiered evidence grant programs.[25] Under this approach, agencies establish tiers of grant funding based on the level of evidence of effectiveness provided for a grantee's service model. Agencies award smaller amounts to promising service models with a smaller evidence base, while providing larger amounts to those with more supporting evidence. In our 2016 report, we recommended that OMB establish a formal means for federal agencies to collaborate on tiered evidence grants. In response, in 2017, OMB launched the Tiered Evidence Grants Working Group to collaborate and share lessons learned, for example, on the use and dissemination of evaluation results.[26]

These efforts should complement each other. A lack of integration could result in duplication of effort or run the risk of working at cross-purposes. For example, the integration of the Results-Oriented Accountability for Grants CAP goal with ongoing DATA Act implementation and efforts to advance evidence-based approaches to federal grant funding and administration presents a complex governance challenge.

In conclusion, designing and implementing grants management policies that strike an appropriate balance between ensuring accountability for the

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[24]GAO-17-775.

[25]GAO, *Tiered Evidence Grants: Opportunities Exist to Share Lessons from Early Implementation and Inform Future Federal Efforts,* GAO-16-818 (Washington, D.C.: Sept. 21, 2016).

[26]GAO-16-818.

proper use of federal funds without increasing the complexity and cost of grants administration for agencies and grantees is a longstanding governance challenge. As the initiatives above demonstrate, meeting this challenge and successfully implementing grants management reforms will require intragovernmental coordination at the federal level, intergovernmental collaboration with state and local governments and other partners, and ongoing integration to ensure that grants management reforms and related DATA Act and evidence-based policy implementation efforts are complementary and do not exist in separate silos.

We look forward to continuing our ongoing work to review implementation of the CAP goals, the DATA Act, and the infusion of evidence-based policy in federal grant programs. We also look forward to working with this and other committees as we assist Congress in identifying additional opportunities to advance grants management reform through reviews of individual grant programs and crosscutting analysis of grant implementation and grants management reform efforts.

Chairman Palmer, Ranking Member Raskin, and members of the Subcommittee, this concludes my prepared remarks. I look forward to answering any questions you may have.

GAO Contact and Staff Acknowledgments

For questions about this statement, please contact me at (202) 512-6806 or sagerm@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals making key contributions to this testimony were Brenda Rabinowitz and Tom James, Assistant Directors, Alexandra Edwards, Julie Miller, Andrew J. Stephens, and Walter Vance.

Related GAO Products

The Nation's Fiscal Health: Action Is Needed to Address the Federal Government's Fiscal Future. GAO-18-299SP. Washington, D.C.: June 21, 2018.

Improper Payments: Actions and Guidance Could Help Address Issues and Inconsistencies in Estimation Processes. GAO-18-377. Washington, D.C.: May 31, 2018.

2018 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits. GAO-18-371SP. Washington, D.C.: Apr. 26, 2018.

DATA Act: OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclose Limitations. GAO-18-138. Washington, D.C.: Nov. 8, 2017.

Managing for Results: Further Progress Made in Implementing the GPRA Modernization Act, but Additional Actions Needed to Address Pressing Governance Challenges. GAO-17-775 Washington, D.C.: Sept. 29, 2017.

Single Audits: Improvements Needed in Selected Agencies' Oversight of Federal Awards. GAO-17-159. Washington, D.C.: Feb. 16, 2017.

High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others. GAO-17-317. Washington, D.C.: Feb. 15, 2017.

Grants Management: Selected Agencies Should Clarify Merit-Based Award Criteria and Provide Guidance for Reviewing Potentially Duplicative Awards. GAO-17-113. Washington, D.C.: Jan. 12, 2017.

Tiered Evidence Grants: Opportunities Exist to Share Lessons from Early Implementation and Inform Future Federal Efforts. GAO-16-818. Washington, D.C.: Sept. 21, 2016.

Federal Research Grants: Opportunities Remain for Agencies to Streamline Administrative Requirements. GAO-16-573. Washington, D.C.: June 22, 2016.

Managing for Results: OMB Improved Implementation of Cross-Agency Priority Goals, But Could Be More Transparent about Measuring Progress. GAO-16-509. Washington, D.C.: May 20, 2016.

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Managing for Results: Implementation Approaches Used to Enhance Collaboration in Interagency Groups. GAO-14-220. Washington, D.C.: Feb, 14, 2014.

Recovery Act: Grant Implementation Experiences Offer Lessons for Accountability and Transparency. GAO-14-219. Washington, D.C.: Jan. 24, 2014.

Grant Workforce: Agency Training Practices Should Inform Future Government-wide Efforts. GAO-13-591. Washington, D.C.: June 28, 2013).

Grants Management: Oversight of Selected States' Disbursement of Federal Funds Addresses Timeliness and Administrative Allowances. GAO-13-392. Washington, D.C.: Apr. 16, 2013.

Grants Management: Improved Planning, Coordination, and Communication Needed to Strengthen Reform Efforts. GAO-13-383. Washington, D.C.: May 23, 2013.

Grants to State and Local Governments: An Overview of Federal Funding Levels and Selected Challenges. GAO-12-1016. Washington, D.C.: Sept. 25, 2012.

Grants Management: Action Needed to Improve the Timeliness of Grant Closeouts by Federal Agencies. GAO-12-360. Washington, D.C.: Apr. 16, 2012.

Grants Management: Attention Needed to Address Undisbursed Balances in Expired Grant Accounts. GAO-08-432. Washington, D.C: Aug. 29, 2008.

Grants Management: Grantees' Concerns with Efforts to Streamline and Simplify Processes. GAO-06-566. Washington, D.C.: July 28, 2006.

Grants Management: Additional Actions Needed to Streamline and Simplify Processes. GAO-05-335. Washington, D.C.: Apr. 18, 2005.