Implementing Effective Data Collection in the Program Development and Application Review Phases Reduces Redundancies in Federal Grant Management Portfolios:

A Case Study

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1.0   Executive Summary

Federal agencies are under increasing pressure to efficiently manage budgets and programs. As pressure on the federal budget increases, so will expectations that grant dollars are directed toward projects that target America's greatest needs, have the highest chance of success and demonstrate the most effective use of limited federal resources.

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Agencies that implement a grant award strategy to close documented gaps in areas of national interest via investments made through funded projects, without duplication and overlap, will successfully address one of today's greatest challenges facing federal grant programs. This grant award strategy is a multi-variable and complex challenge that requires a systematic approach and must be implemented without disrupting the business and without dramatically increasing costs. To address this challenge, Master Key Consulting has demonstrated that it is possible to introduce cost effective and repeatable process solutions at key points in the grant cycle of a federal agency.

This paper considers two key phases in a typical grant lifecycle: (1) Program Development and (2) Application Review. Identifying data suitable for both program alignment and cross-grant comparative analysis, coupled with the timely collection of that data, provides a basis for evaluating project alignment with agency priorities and for preventing grant project duplication and overlap. As pressure on the federal budget increases, so will expectations that grant dollars are directed toward projects that target America's greatest needs, have the highest chance of success, and demonstrate the most effective use of limited federal resources.

2.0   Business Challenge

Twenty-six federal agencies manage over a thousand grant programs which have historically awarded more than $400 billion in grants each year. Program priorities, driven by the federal budget, are based upon a variety of indicators collected by federal agencies. Agency priorities change frequently, as does the ability to fund grant projects to satisfy those priorities. Effective portfolio management provides assurance that an agency funds grant projects that align with its priorities and further strengthens its ability to manage highly scrutinized budgets with increased congressional oversight.

The Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), for example, is tasked to distribute grant funds based on a national preparedness assessment and resource gap analysis. In January 2011, FEMA reported that the Administrator had established a strategic priority, referred to as "Whole of Community" that identified a series of requirements or core capabilities, to ensure response and recovery actions are driven by the needs of the affected community in the event of a catastrophic disaster. As a result, FEMA is planning to generate measurable national preparedness capability requirements with evaluation criteria (e.g., in terms of speed, effectiveness, and efficiency, among other factors) to provide a comprehensive framework for guiding investments and assessing readiness[1]. Collecting, validating and maintaining the preparedness capability assessed across cities, counties, states and the federal government will be the basis for FEMA to set grant project priorities such that the investments are directed toward the areas of greatest need.

Additionally, the U.S. Government Accountability Office (GAO) noted in a March 2011 report that The Department of Homeland Security Inspector General reported in March 2010 that FEMA's application process for its preparedness grant programs did not promote effectiveness and efficiency because FEMA did not compare and coordinate grant applications across preparedness programs to identify and mitigate potential duplications. The report noted that until FEMA evaluates grant applications across grant programs, it cannot ascertain whether or to what extent multiple funding requests are being submitted for similar purposes[2].

This paper describes an efficient and cost effective methodology to address the business challenge of identifying duplication and overlap in grant applications, as cited by both the Inspector General and the GAO.

3.0   Solution Description

Master Key Consulting suggests that collecting and analyzing specific data during key grant lifecycle activities, allows for comparative analysis of all grant applications for project similarities. Identifying project similarities within and across grant programs serves to avoid the funding of duplicative projects.

The program development phase of the grant lifecycle is where the purpose, priorities, and requirements related to implementation are defined. The application review phase of the grant lifecycle is where applications are evaluated and funding decisions, involving input from the application review process and risk analyses, are made. These lifecycle phases are often overlooked as an opportunity for data collection and analysis. Standard Forms that are part of the grant application package are not typically designed to give grant making agencies the analytical information necessary to address duplication and overlap.

Standard Forms provide budgetary and demographic data about the projects and applicants but do not generally provide specific project data in a format that allows analysis based upon project purpose and objectives. Collecting this type of information in a simple format that allows comparative analysis of grant applications can provide beneficial information to agency leadership and program managers in a quick and concise manner. These analyses could be designed so as to specifically map the assets and assistance requested in grant applications to the needs identified in the "Whole of Community" framework or other gap analysis documents. During the Program Development Phase, program staff are tasked:

- To develop application templates

- To make applications available to applicants by posting in eFind and eApply or other eGrants systems (MT eGrants, AFG eGrants)

- To assist users with application completion, submission, and retrieval[3]

In the Application Review Phase, the Application is reviewed:

- To determine eligibility and effectiveness

- To ensure that all budget items are allowable and reasonable

- To ensures that grantees are aware of the terms and conditions of the award

- To ensure that all required Federal forms are submitted and completed correctly

- To ensure that program offices have indicated that the application meets the goals and objectives of the grant program[4]

Application templates and current business processes in many agencies promote compliant applications from a validation review activity directly to a peer or federal review activity without consideration of each grant as part of the larger grant program. It is only after grants are peer reviewed or federally reviewed that the purpose of the proposed project is known. If applications requesting duplicative funds are reviewed by different individuals, funding duplication can and does occur.

The Office of Management and Budget (OMB) has a process by which federal agencies can develop additional data collection forms for grant applications. These forms should be used to collect application data in a format that is easily compiled so that proposed projects can be comparatively analyzed across the grant program and across all grant programs, early in the grant lifecycle. Collecting data related to the grant program purpose and specific to the requested assets contained in the application, at the time of submission, can help prevent duplication and facilitate effective distribution of FEMA grant dollars across the base of applicants.

In a similar scenario, Master Key Consulting successfully applied this approach in support of the Department of Health and Human Services (HHS), Administration for Native Americans (ANA) to address a similar program challenge. The case study describes the application of our solution to one of the common challenges facing grant portfolio managers, i.e., the need to effectively coordinate grant applications across multiple programs to avoid award duplication and overlap.

4.0   Case Study

Background. The ANA is a federal agency serving all Native Americans. The mission of ANA is to promote the goal of self-sufficiency and cultural preservation for Native Americans by providing social and economic development opportunities through financial assistance, training, and technical assistance. A primary method of achieving its mission is the award of grants to eligible Tribes, Villages and recognized Native American organizations and communities. An independent audit determined that the ANA needed to improve its oversight of projects across the grant life cycle, from solicitation through the close-out process. In particular, the ANA needed a business process to compare and coordinate grant applications within and across grant programs. The audit identified a material weakness in the establishment of performance measures, goals, and gaps. Further, the audit noted that this problem is likely to result in the ANA spending millions of dollars without the ability to prioritize grant funding, thus impacting the most important objectives of the agency.

Solution Description. To improve ANA's ability to effectively and efficiently manage grant portfolios, Master Key Consulting evaluated the business processes of its grant management lifecycle to determine appropriate data collection points. We determined that solicitation baselines needed to be articulated, and data needed to be collected before the application review process to avoid funding duplication. Accordingly, analysis of the grant program determined what data should be collected and where in the grant lifecycle a process needed to be added or modified. A process modification was needed in the program development phase to add a data collection form to the grant solicitation package. A new process was needed in the application review phase to analyze the project data for ANA mission and program objectives alignment followed by comparative analysis to identify duplication and overlap.

Master Key Consulting developed an OMB approved Grant Application Data Summary (GADS) form, which was submitted by applicants as part of the grant application. Using the data the GADS for provided, to identify duplicate and over-lapping projects. The data analysis was instrumental in verifying goal alignment during the peer review and evaluation processes, providing auditable evidence that grant awards were focused for effectiveness.

> Master Key Consulting developed an OMB approved GADS form which had an immediate and positive impact on ANA grant programs.

For the ANA, Master Key Consulting also provided quality sampling to the project monitoring process. Monitoring and Evaluation teams, using proven project monitoring techniques, were sent to a sampling of grantee sites for an independent assessment to determine whether grant programs were using grant funds to effectively enable ANA mission success. The post-award project evaluations validated that the solution was appropriately focused and achieved the projected results. The post-award validation had an added value associated with helping the ANA to identify resource gaps that helped to prioritize future grant funding priorities.

5.0   Summary

There are significant obstacles to the effective and efficient management of a broadly scoped grants portfolio. By analyzing and improving business processes throughout the grants lifecycle, Master Key Consulting Subject Matter Experts (SMEs) consistently deliver added value to our federal customers. The development of an effective data collection process, positioned at the right place in the grants lifecycle, is a catalyst for eliminating duplication and overlap. Our expertise in defining and collecting the right data at the right time proved to be an extremely effective methodology for verifying grant alignment with ANA agency goals. Our approach and methodology works and can be effectively applied to resolving grants portfolio challenges across the federal government.

Master Key Consulting, of Bethesda Maryland, has functional expertise in all phases of the grant management lifecycle. Master Key Consulting has taken a proactive stance in providing cost effective and sustainable grants management solutions, which fully address the needs of our clients. Master Key Consulting maintains subject matter and technical expertise in Grants Management, Training, End User Support, and Process Validation Testing for federal grants offices, including:

- Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) for the Grants Reporting Tool (GRT) and the Data Collection Tool (DCT)

- Department of Justice (DOJ) Office of Justice Programs (OJP) for the Grant Management System (GMS)

- Department of Health and Human Services (HHS), National Institutes of Health (NIH), Office of Extramural Research (OER)

For additional information, please visit our web site at http://www.masterkeyconsulting.com.

Sources:

1. GAO - Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue March 1, 2011, page 117.

2. GAO - Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue March 1, 2011, page 116.

3. FEMA Grant Program Directorate Strategic Plan 2009-2011, p. 14.

4. FEMA Grant Program Directorate Strategic Plan 2009-2011, p. 14.