Federal Grants-in-Aid Administration: A Primer

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Summary

Congressional authorization of federal assistance to state and local governments can be traced back to the Continental Congress and its approval of the granting of nationally owned land to states formed out of the Northwest Territory. Those lands were to be sold for the support of public education. Congress subsequently granted millions of acres of land to states to support various congressional priorities, including wagon road and canal construction, improvements to river navigation, and the establishment of land grant colleges. The first federal cash grant program was adopted in 1808, to provide funds to states to support the National Guard.

Since that time, there has been dramatic growth in federal cash assistance programs, now commonly referred to as "federal grant programs" or "federal domestic assistance programs." These programs transfer money, property, services, or other items of value for which the principal purpose is to accomplish a goal authorized by Congress.

Currently there are 2,179 congressionally authorized federal domestic assistance programs administered by 26 federal agencies. Federal grant programs comprise 1,714, or 79%, of the domestic assistance programs. As the number of congressionally authorized grant programs has increased over time, congressional interest in these programs, in terms of their efficiency and effectiveness, both individually and collectively, has also increased. The increasing cost of federal grants-in-aid assistance has also attracted congressional interest. Federal outlays for grants to state and local governments has grown from $13.2 billion (in constant FY2005 dollars) in 1940 to $514.6 billion in 2011.

The growing number, perceived fragmentation, and complexity of these programs create challenges for federal agencies interested in standardizing various financial and administrative aspects of grant program management. As a result, there is wide variation across and within federal agencies in the administration of federal grant programs. This variation in federal grant administration makes it difficult for Congress to compare program performance, both within and among federal agencies, and to exercise its oversight of federal agencies.

This report is designed to assist Congress in its oversight of federal grants-in-aid programs by providing an overview of federal grants-in-aid generally; a description of the typical life cycle of a federal grant, including the processes for selecting, awarding, administering, and overseeing a federal grant award; and an analysis of the tracking of federal grants currently administered by federal agencies.

Federal agencies face challenges in providing Congress and the public with timely, accurate, and detailed information about federal grant awards. Limitations on the ability to track the distribution of federal grants raises questions about the validity of the information and suggests that Congress may have a diminished capacity to engage in effective oversight of federal grants.

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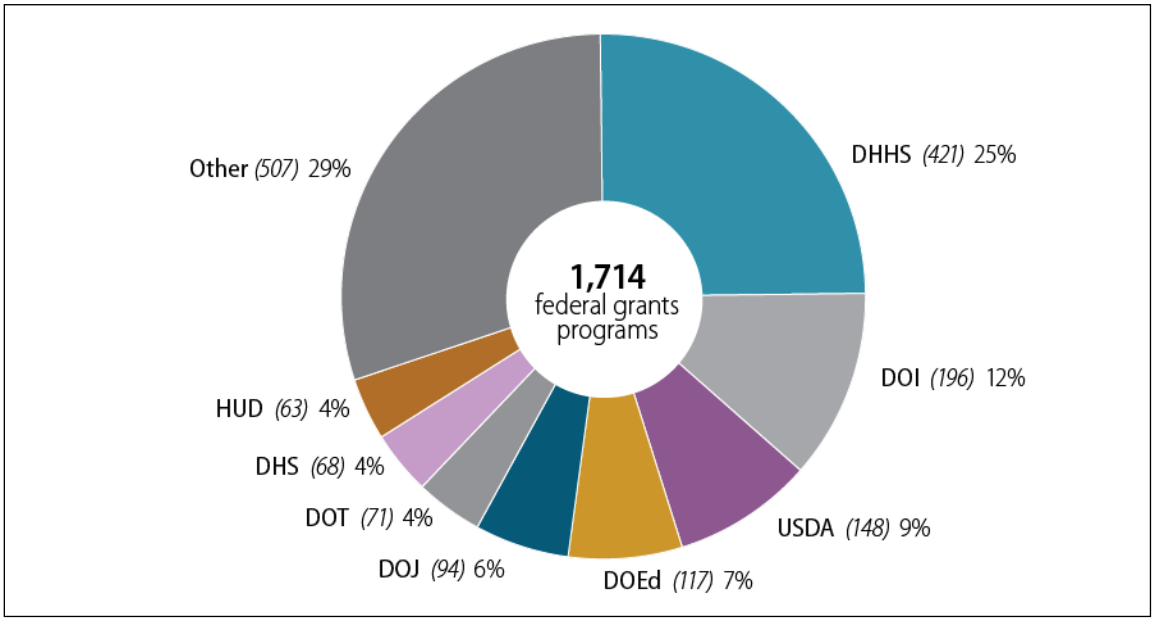
Introduction

Congressional authorization of federal assistance to state and local governments can be traced back to the Continental Congress and its approval of the granting of nationally owned land to states formed out of the Northwest Territory. Those lands were to be sold for the support of public education. Congress subsequently granted millions of acres for wagon road and canal construction, 64 million acres for improvements to river navigation, and several thousand acres for the establishment and support of land grant colleges. The first federal cash grant program was adopted in 1808, to provide funds to states to support the National Guard.[1]

Since that time, there has been dramatic growth in federal cash assistance programs, now commonly referred to as "federal grant programs" or "federal domestic assistance programs." These programs transfer money, property, services, or other items of value for which the principal purpose is to accomplish a goal authorized by Congress. A broader definition of federal domestic assistance would include loans. There are currently 2,179 congressionally authorized federal domestic assistance programs. The Catalog of Federal Domestic Assistance (CFDA) indicates that of these, 1,714 are federal grant programs, which can be further broken out as formula (225) and project (1489) grant programs administered by 26 federal agencies.[2] Eight federal agencies administer 67% (1,143) of these programs, distributed as follows.

Figure 1. Federal Administering Agency Distribution of Formula and Project Grants



Source: Congressional Research Service, with data obtained from the Catalog of Federal Domestic Assistance, September 19, 2012.

As the number of congressionally authorized grant programs has increased over time, congressional interest in these programs, in terms of their efficiency and effectiveness, both individually and collectively, has also increased.[3] The increasing cost of federal grants-in-aid

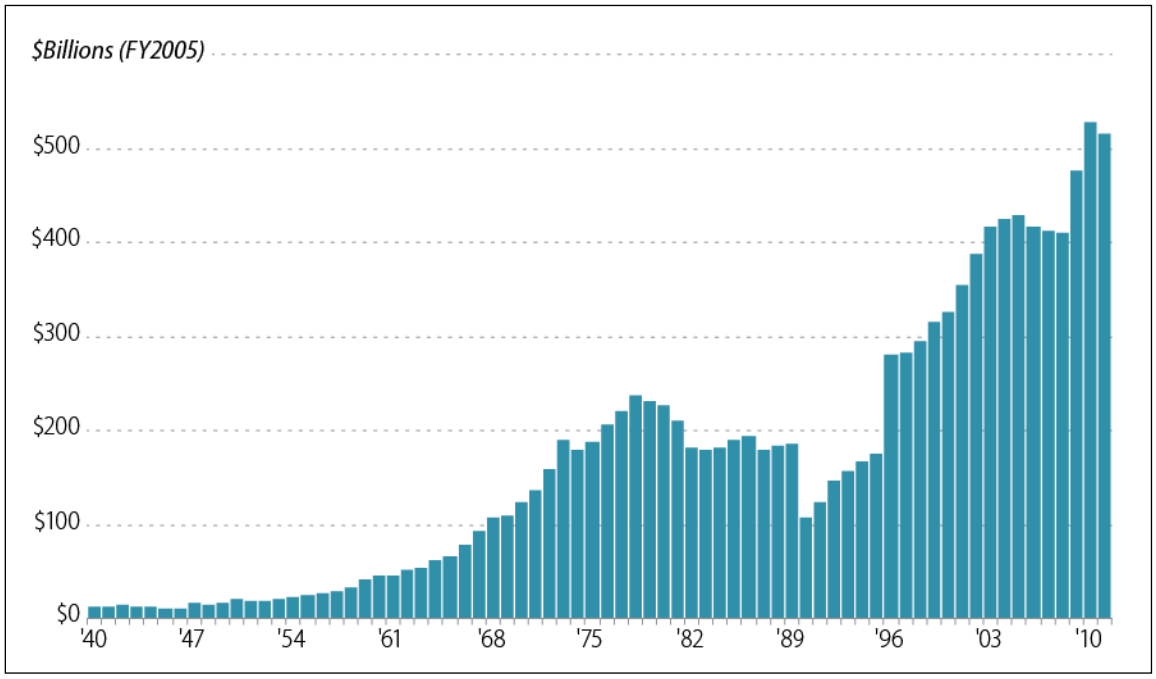
[1] Morton Grodzins, *The American System* (Chicago: Rand McNally, 1966), pp. 34-37.

[2] Catalog of Federal Domestic Assistance, September 19, 2012, at http://www.cfda.gov.

[3] Analysis of issues arising from the increasing number and complexity of federal grants, and the impact on grant (continued...)

assistance has also attracted congressional interest. **Figure 2** illustrates that federal outlays for grants to state and local governments have grown from $13.2 billion (in constant FY2005 dollars) in 1940 to $514.6 billion in 2011.[4]

Figure 2. Total Grant Outlays to State and Local Governments: 1940-2011



Source: Congressional Research Service, with data obtained from the Office of Management and Budget, *Fiscal Year 2012 Historical Tables: Budget of the U.S. Government, pp. 250-251*.

The growing number, perceived fragmentation, and complexity of these programs create challenges for federal agencies interested in standardizing various financial and administrative aspects of grant program management. As a result, there is wide variation across and within federal agencies in the administration of federal grant programs. This variation in federal grant administration makes it difficult for Congress to compare program performance, both within and across federal agencies, and to exercise its oversight of federal agencies.

Federal agencies administering grant programs face challenges in providing timely, accurate, and detailed information on federal grant awards. This can be attributed, in part, to the way grant funds are distributed from the federal to the local level. This may also be attributed to the limitations of the databases used to track the distribution of funds. These limitations include questions regarding the validity of the data, and the limited ability to track the distribution of grant funds to the subgrant recipient level. Without complete and valid information about the distribution of federal grant funds, Congress may have a diminished capacity to engage in effective oversight of federal grants.

management, draws from previous work by the author detailed in a Congressional Distribution Memorandum, *Characteristics of Federal Grant Programs and USAspending.gov Data Quality Issues*, August 31, 2011, Natalie Keegan, Garrett Hatch, and Merete Gerli, Congressional Research Service. Available from the author to congressional clients upon request.

[4] U.S. Office of Management and Budget, *Table 12.1 Summary Comparison of Total Outlays For Grants To State and Local Governments: 1940 – 2017* (Washington: GPO, 2012), at http://www.whitehouse.gov/omb/budget/Historicals.

In recent years, many scholars, various think tanks, the U.S. Government Accountability Office (GAO), and the U.S. Office of Management and Budget (OMB) have argued that the increased number of federal grant programs, especially those with specific purposes, has resulted in increased complexity and fragmentation in the administration of federal grants.[5]

This report is designed to assist Congress in its oversight of federal grants-in-aid programs by providing an overview of federal grants-in-aid generally; a description of the typical life cycle of a federal grant, including the processes for selecting, awarding, administering, and overseeing a federal grant award; and an analysis of the tracking of federal grants currently being done by federal agencies.

Types of Federal Grants

The increasing number, fragmentation, and complexity of federal grants has resulted in a lack of definitions that clearly differentiate the various types of federal grant programs. Broadly, there are three types of federal grants: categorical, block, and general revenue sharing.

Categorical grants are generally defined as grant programs that Congress authorizes for narrowly defined purposes.[6] Block grants are defined as grant programs authorized for broad purposes in which the federal agencies and primary grant recipients have substantial discretion in the use of funds.[7] General revenue sharing was authorized under the State and Local Fiscal Assistance Act of 1972 (P.L. 92-512) and expired in 1986.[8] While it was authorized, general revenue sharing provided wide discretion to state and local governments in the use of funds.[9]

Federal grants may also be categorized based on the level of discretion exercised by the federal agency in administering the grant. For example, conditional and unconditional grants are types of grants based on the degree to which the federal agency imposes administrative requirements on the grant recipient. Conditional grants have a high level of federal agency monitoring and supervision and unconditional grants have a lower level of agency administrative monitoring. The method of distribution can also be used to distinguish formula grants and discretionary grants.

A formula grant is allocated to eligible recipients based on formula factors established in statutory and regulatory provisions. Administrative discretion also factors into these types of grants since agencies may have broad discretion in establishing specific definitions and values for the formula factors depending on the level of detail in the grant's authorizing legislation. Formulas may also provide a minimum allocation to each state if the amount apportioned by the formula is less than a minimum threshold established in statute.

Discretionary grants are awarded to eligible grant recipients based on a competitive, or merit-based, process. These types of grants are also commonly called competitive grants. Some federal

[5] See David B. Walker, *Toward Functioning Federalism* (Cambridge, MA: Winthrop Publishers, 1981); U.S. Office of Management and Budget, *Managing Federal Assistance in the 1980s*, March 1980, p. 18; and U.S. General Accounting Office, *Federal Assistance: Grant System Continues to Be Highly Fragmented*, GAO-03-718T, April 29, 2003, at http://www.gao.gov/assets/110/109870.pdf.

[6] U.S. Advisory Commission on Intergovernmental Relations (ACIR), *Categorical Grants: Their Role and Design*, A-52 (Washington, DC: U.S. GPO, 1978), p. 5.

[7] ACIR, *Block Grants: A Comparative Analysis*, A-60 (Washington, DC: U.S. GPO, 1978), p. 6.

[8] For information and analysis concerning block grants see CRS Report R40486, *Block Grants: Perspectives and Controversies*, by Robert Jay Dilger and Eugene Boyd. For information and analysis concerning general revenue sharing see CRS Report RL31936, *General Revenue Sharing: Background and Analysis*, by Steven Maguire.

[9] ACIR, *General Revenue Sharing: An ACIR Re-Evaluation*, A-48 (Washington, DC: U.S. GPO, 1974), p. 2.

grant programs may include both a formula and a competitive allocation methodology with appropriated funds apportioned to each grant type.

Transparency and Federal Grants

The authorizing legislation of a federal grant program generally establishes the distribution methodology. As discussed previously, federal grants are usually distributed either by formula or through a competitive process. The relative transparency of both distribution approaches is challenged by the often limited availability of information about the federal agency's implementation of congressionally authorized formulas and the competitive application process. For example, currently agencies are not required to post the scores of the grant recipients who were and were not selected for an award. Additionally, the specific values and ranking of the factors used in the application of the formulas are often not publically available. Without greater transparency into these processes, it is difficult for Congress to measure the effectiveness of federal grant allocation formulas or to determine whether there has been fair competition in the awarding of federal grants.

Federal Agency Administration of Grant Programs[10]

The effective administration of federal grants is influenced by the way a federal agency structures grant management functions. The structure of federal grants management varies widely across and within federal agencies.

Separating Grant Management Functions

Generally, federal agencies separate grant management functions into three categories: financial management, program administration, and grant oversight. Federal agencies generally assign each of these functions to separate divisions, with the financial management assigned to the chief financial officer (CFO), the program administration assigned to program specialists, and the oversight functions shared between the CFO, program specialists, and the agency's inspector general. Although some functions are shared, there is often limited communication between various grant management components, which can impede effective grant management.[11]

Financial Grant Management

Financial management activities are generally conducted by the agency's finance personnel. Financial grant management activities include tracking expenditures made under the terms of a grant award and disbursing grant funds.

[10] Analysis of the impact of federal agency discretion and separation of functions on effective grant management draws from previous analysis by the author as detailed in a Congressional Distribution Memorandum, *Government Acquisition System and Federal Grants-in-Aid*, July 6, 2011, by Natalie Keegan, Kathleen Swendiman, Elaine Halchin, and Kate Manuel, Congressional Research Service. Available upon request from the author.

[11] Testimony of Daniel I. Werfel, Controller, Office of Management and Budget, in U.S. Congress, Senate Homeland Security and Governmental Affairs Committee, Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, *Assessing Grants Management Practices at Federal Agencies*, hearing, 112th Congress, 2nd sess., July 25, 2012. During his testimony Mr. Werfel stated that he had just issued a memorandum to all federal agency chief financial officers directing them to develop a strategic plan to improve collaboration between the financial and program management components administering federal grants.

Grant Program Administration

Grant program administration is often undertaken by agency program specialists. Grant program administration activities generally include monitoring grant recipient activities. These activities include recipient compliance with reporting requirements, evaluation of the recipient's performance, and compliance with the terms of the grant award.

Grant Oversight by the Office of Inspector General

Established by the Inspector General Act of 1978, as amended, the offices of inspector general (OIG) have broad authority to conduct audits and investigations of federal grant programs to assess the efficiency and effectiveness of the programs and to reduce waste, fraud, and abuse.[12] Given the extent of federal resources allocated to federal grant programs, the OIG plays a critical role in federal grant management and OIG reports provide insight into issues that arise during the life cycle of a federal grant.

Consolidating Federal Grant Programs

The ad hoc nature of federal grant program authorization has complicated federal agency grant management by limiting the ability of a federal agency to establish a uniform structure for all agency grant programs. For example, the creation of the Department of Homeland Security (DHS) resulted in the consolidation under DHS of several grant programs previously administered by other federal agencies. When federal agencies are tasked with administering a federal grant program, the agency must establish processes, policies, and systems to administer the program. As each new grant program is authorized, a new process and system is put in place. Once established, it is difficult to change the financial and program management structure for the grant program. When federal grant programs from a number of separate agencies are consolidated under a single agency, that agency is faced with the challenge of establishing uniformity in the administration of all of grant programs now under that agency. Specifically, the consolidation of cash management systems has proven to be one of the biggest challenges in federal grant management. The ability to compile and reconcile information in the cash management systems of each agency is critical in the evaluation of agency-wide grant management practices.

Federal Administering Agency Authorities

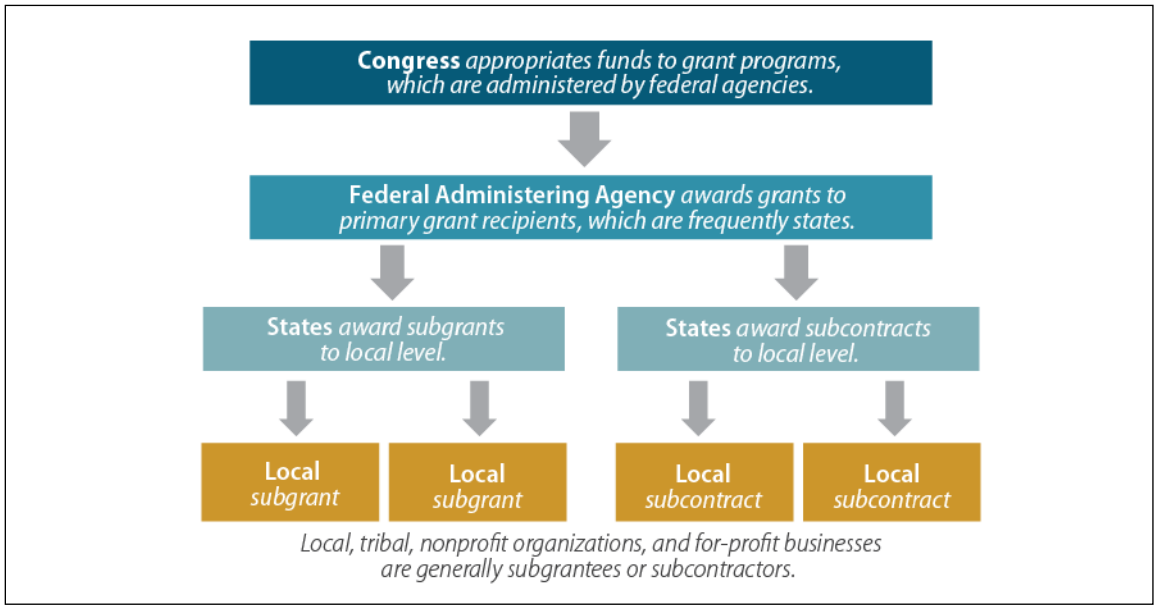
While the authorizing legislation for a federal grant program may establish applicant eligibility and, to varying degrees, eligible activities, federal agencies exercise broad discretion in administering the grant program. Administering federal grant programs may include establishing procedures for applying, reviewing, scoring, and awarding federal grants. Once a federal grant is awarded, the administering agency has the authority to place conditions on the grant award, commonly known as conditioning a federal grant. Conditions of a grant award generally include compliance with financial and performance reporting requirements and audit requirements. When the grant recipient does not comply with the conditions of a grant award, the grant recipient may face a range of consequences, from additional monitoring to debarment or suspension from eligibility for current and future grant awards. Generally, the determination of consequences for noncompliance is at the discretion of the administering agency.

[12] For additional information on the authorities of the offices of inspector general, see CRS Report 98-379, *Statutory Offices of Inspector General: Past and Present*, by Frederick M. Kaiser.

State and Local Administration of Federal Grants

Generally, most federal grants are awarded to state governments, which then pass through grant funds to local entities either by formula or through a competitive process. This process is known as federal grant pass-through. Portions of federal grants may also be passed-through when states award contracts to private sector entities. This means grant seekers at the local level often need to apply to their state when seeking local funds. **Figure 3** illustrates the federal grant funding stream.

Figure 3. Federal Grant Funding Stream



Source: CRS Analysis, September 21, 2012.

The pass-through structure may be a result of the need to balance a federal interest in accountability and program effectiveness with a state need for autonomy and flexibility.[13] The pass-through structure may also be because state governments may have more resources available to conduct oversight of federal funds than local governments or nonprofit organizations. States also retain discretion in determining the specific projects to be funded within the state if funds are passed-through the state. This increases state autonomy to determine the use of federal funding within the constraints of the federal grant authorization and federal agency grant guidance. The states, as primary grant recipients, are able to impose state priorities on federal grant funds and have discretion to determine the allocation methodology. In some cases, federal funds are awarded to states under a formula, but states then pass-through funding through a competitive in-state application process.[14]

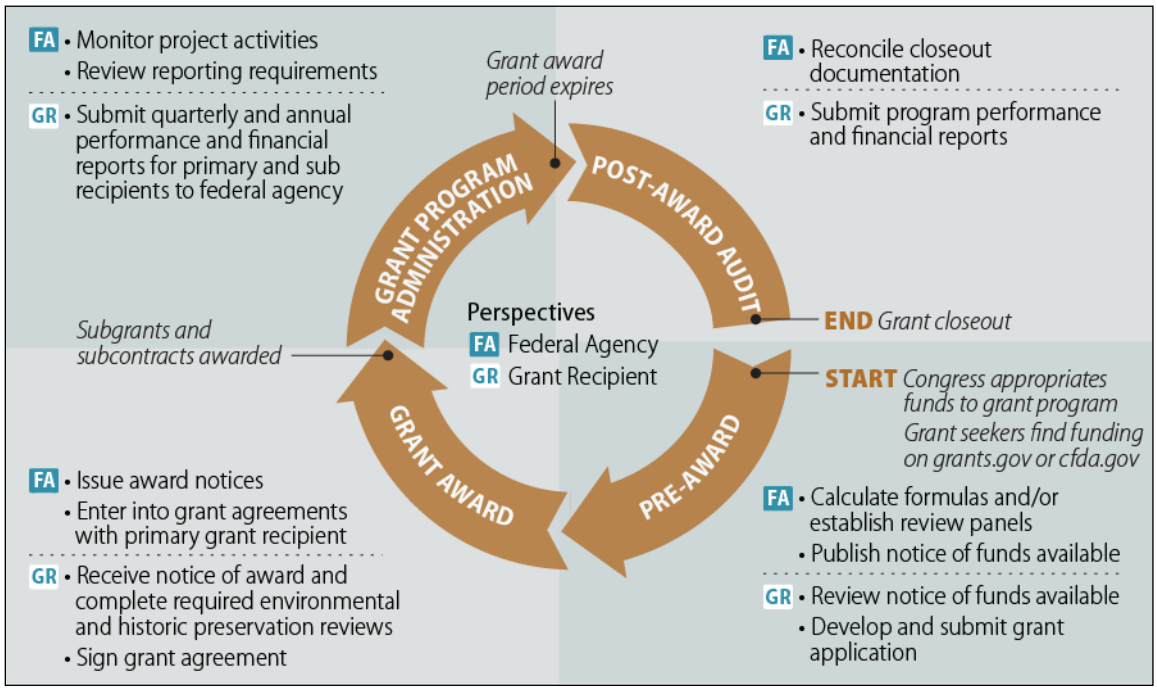
[13] V.O. Key, *The Administration of Federal Grants to States* (Chicago: Public Administration Services, 1937), p. 4.

[14] For example, the Hazard Mitigation Grant Program, administered by the Federal Emergency Management Agency, awards funds to a state by utilizing a formula. Many states then pass-through funds by awarding grants to local governments on a competitive basis. Local grant seekers apply to the state for funding and then may subaward or subcontract at the local level to conduct mitigation activities.

The Life Cycle of a Federal Grant

The life cycle of a federal grant traditionally includes four stages: pre-award, grant award, grant program administration, and post-award/audit. **Figure 4** illustrates the life cycle of a federal grant.

Figure 4. Life Cycle of a Federal Grant



Source: CRS analysis, September 21, 2012.

Pre-Award Stage

During the pre-award stage, the federal administering agency calculates the formula amounts for formula grant programs and establishes criteria for scoring competitive grant program applications. Competitive grant programs are also known as discretionary grant programs since federal agencies have some discretion in selecting the applications to be awarded funding. During the pre-award stage, federal administering agencies review and select grant recipient projects pursuant to the program's statutory and regulatory provisions.

Grants.gov

The Federal Financial Assistance Management Improvement Act of 1999 (FFAMIA, P.L. 106-107) required the establishment of a website that would provide information about federal grant funding opportunities. Grants.gov is a public website that provides information about how to apply for a federal grant. The website also provides information about current competitive funding opportunities and allows grant seekers to register to receive notification of funding availability announcements. One limitation to Grants.gov is the exclusion of state-level grant program information. Grants.gov only provides information about the funding opportunities for primary grant recipients. As discussed previously, federal grant funds may be passed through the

state to the local level. A local constituent would not be able to access information on Grants.gov about how to apply for federal funds available from a pass-through.

Grant Application Review Panels

When reviewing federal grant program applications, federal administering agencies may require technical expertise to evaluate fairly the merits of the applications. Some agencies will use a panel of experts to review, score, and recommend projects for funding.[15] While the scores and recommendations of the grant review panels are taken into consideration by the federal administering agency in awarding grants, the agencies have discretion to deviate from the review panel's recommendations.

Grant Award Stage

The amount of funds allocated to a grant recipient is typically based on either statutory formula, agency discretion, or a combination of the two. In some cases, Congress establishes a formula for distributing funds that provides minimum allocations to specifically identified primary grant recipients. In other cases, the statutory eligibility may be broad and agencies may have discretion in narrowing down the recipients who will receive formula allocations.[16]

Determining Eligibility for Federal Grants

Congress establishes grant applicant eligibility in the program's authorizing legislation. While there is some variation, the primary eligible grant applicants are state, local, and tribal governments, and specified not-for-profit organizations, or types of not-for-profit organizations. For some grant programs, the primary grant recipient then passes through the grant funds by awarding subgrants to local governments, nonprofit organizations, and individuals.

Awarding a Federal Grant: Elements of a Grant Agreement

Grant Award Period

The award period for federal grants varies from program to program, and even within the same program. Most federal grants have a twelve-month grant award period. However, some grants, such as the Department of Justice Community Oriented Policing grant program, can have multi-year award periods depending on availability of funding.

Administrative Requirement: Conditions of the Federal Grant Award

Grant recipients are required to comply with a variety of administrative requirements detailed in the grant agreement. A grant agreement is a legally binding contract between the federal agency and the primary grant recipient. Administrative requirements are often conditions of the grant award and are detailed in the grant agreement. These requirements may include conducting environmental impact assessments and maintaining accurate financial records. Federal agencies are also required to follow government-wide guidance, known as circulars, when entering into

[15] For example, the Federal Emergency Management Agency uses a panel of fire fighters to review applications for the Assistance to Firefighters (FIRE) grant program. For additional information on the review panel for the FIRE grant, see CRS Report RS21302, *Assistance to Firefighters Program*, by Lennard G. Kruger.

[16] U.S. Government Accountability Office, *Federal Grants-In-Aid Programs*, October 1980, p. 1, at http://archive.gao.gov/otherpdf2/113648.pdf.

grant agreements. The circulars, which are issued by the Office of Management and Budget (OMB), set standards for a range of grant management activities, including grant application forms, the timing of grant payments, and financial reporting.

USAspending.gov

The Federal Funding Accountability and Transparency Act of 2006 (FFATA, P.L. 110-282) required federal agencies to submit grant award information to a public website established by OMB. USAspending.gov was established to provide information on grant awards, including the amount of the award, type of award, name and location of the recipient, and the name and authorization of the federal program used to make the award.

Grant Program Administration Stage

Once a federal grant has been awarded and a grant agreement has been signed by both parties, the federal agency begins administration of the grant. Grant administration activities may include reviewing activities conducted under the terms of the grant award, reviewing and approving changes in the scope of work to be done under the grant agreement, and assessing compliance with program and financial reporting requirements.

Determining Eligible Activities

Each grant program has a range of eligible activities. Congress may limit the grant project eligibility by narrowing the range of activities to address specific categories of projects. As discussed above, these types of grants are known as categorical grants. Congress may also choose to provide greater flexibility in the range of eligible grant activities by authorizing a block grant. Block grants allow recipients, predominately states, to fund a broad range of activities within more general policy areas such as community development or law enforcement.

Agency Discretion in Determining Eligible Activities

As discussed previously, when Congress authorizes a federal grant program, the eligible activities may be broad or specific depending on the statutory language in the grant authorization. When grant funds are distributed through a competitive process, the administering federal agency officials exercise discretion in the selection of grant projects to be awarded funding within the range of eligible activities set forth by Congress.

Grant Post-Award/Audit Stage

There are several accountability provisions that are part of the grant administration process. Reporting requirements, both statutory and regulatory, require data collection and dissemination. Federal agencies administering the grant may be required to report data to agencies with oversight, such as OMB or the Government Accountability Office (GAO), or to report grant information to federal assistance databases such as the Catalog of Federal Domestic Assistance (CFDA) or USAspending.gov. Agencies may also be required to report grant performance to congressional committees. At the end of the grant award period, grant recipients are required to submit all financial documentation during the post-award stage. The federal agency then compiles the financial documentation and commences in closing-out the federal grant. Grant closeout is a process by which the federal agency reconciles all expenditures and disbursements and closes all cash management and program management accounts. Once the federal grant has been

successfully closed out, the federal agency is able to conduct audits of the grant awards to measure efficiency and evaluate waste, fraud, and abuse in the use of federal grant funds.

Single Audit Act

Primary grant recipients are required to conduct an annual audit of federal grant funds and to submit the findings of the audit to the federal government. The Single Audit Act (P.L. 98-502, as amended) provides one of the government's primary grant oversight mechanisms.[17] The act requires nonfederal entities that expend more than $500,000 in a year in federal awards to be audited for that year. Auditors evaluate the grantee's financial statements, test the agency's internal controls, and identify material non-compliance with the terms of the grant agreement or other federal regulation or law. Under the Single Audit Act, primary grant recipients were able to conduct a single audit that would fulfill the audit requirements for all federal grants each fiscal year. All audits performed under the act are submitted to the Federal Audit Clearinghouse, a database maintained by the Census Bureau, and may be viewed at no charge by the public.

Federal Audit Clearinghouse

Federal grant recipients who expend $500,000 or more in federal grant funds during a single fiscal year are required to submit an audit to the Federal Audit Clearinghouse (FAC) on an annual basis.[18] The audit must detail the federal grant expenditures. It is difficult to compare the data in the FAC to other grant databases because audits are based on expenditures during the grant recipient fiscal year, which may differ from the federal government fiscal year.

Summary Observations

Federal agencies administering grant programs face challenges in providing timely, accurate, and detailed information on federal grant awards. The validity and reliability of federal grant distribution data is critical for the oversight of federal grant administration. Challenges in obtaining accurate and timely data on the distribution of federal grants may be attributed to the limitations of the databases used to track the distribution of funds.

Tracking the Distribution of Federal Grant Funds

There is limited ability to track the distribution of federal grant funds. Currently, the primary source of data is information submitted by federal agencies to USAspending.gov. Questions have been raised regarding the quality of data provided by USAspending.gov.[19] Until recently, other reports provided detailed information on the distribution of federal grant funds. However, the elimination of these reports places greater emphasis on the quality of information in USAspending.gov since it has now become the primary source of data on the distribution of federal grant funds.

[17] The Single Audit Act is implemented through OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

[18] U.S. Office of Management and Budget, Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

[19] U.S. Government Accountability Office, *Electronic Government: Implementation of the Federal Funding Accountability and Transparency Act of 2006*, GAO-10-365, March 2010, p. 17.

Elimination of the Federal Aid to States (FAS) and Consolidated Federal Funds Report (CFFR)[20]

The Federal Aid to States (FAS) and the Consolidated Federal Funds Report (CFFR) were first published in 1983 and have been available on the internet since the early 1990s.[21] The FY2010 reports, issued in August 2011, were the last reports issued due to the termination of funding. The FAS and CFFR reports summarized geographic distribution of federal grant funds to states and counties and were the primary documents used to track federal funding.[22] FAS and CFFR contained state summary data and aggregate figures by federal department and agency. The CFFR included payments to state and local governments and to nongovernmental recipients. Both reports were issued approximately 12 to 18 months after the close of the fiscal year. This delay raised questions about the timeliness of the information in the FAS and CFFR, but the timeliness may be offset in part by the value in standardized information that could be used to analyze the distribution of federal grants across time. Without complete, valid, and standardized information about the distribution of federal grant funds, Congress may have a diminished capacity to engage in effective oversight of federal grants.

Questions can be raised about how federal agencies differ in the administration of federal grants and whether any differences are attributed to differences in the grant programs or in the administration of the grants. Questions regarding broader federal grant management transparency may involve consideration of whether some agencies are more aggressive in promoting transparency and what best practices might service as a foundation to developing a strategy to improve the administration of federal grants. Variation in federal grant administration makes it difficult for Congress to compare program performance within and among federal agencies, and to exercise its oversight of federal agencies.

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Acknowledgments

This report was originally developed by Natalie Paris, Analyst in American National Government.

[20] Portions of this section were developed with the assistance of Merete Gerli, Information Research Specialist, Congressional Research Service.

[21] U.S. Census Bureau, *Consolidated Federal Funds Report*, at http://www.census.gov/govs/cffr/.

[22] CFFR also tracked federal contracts awarded to states and counties. FAS coverage was restricted to federal government expenditures for grants to state and local governments.

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