Federal Grants at a Glance

Presented Thursday, May 11, 2017
The Florida Grant Consortium
Agenda

- Part I - Overview
  - Why Grants Management?
  - Federal and State Processes
- Part II – Federal Budget Process
Part I – Federal Assistance Award Overview
Why Grants Management Anyway?

- Like any entity, the time value of money applies as well as good will
  - We don’t want to over obligate what we have been appropriated
  - We do not want to release funds any sooner than we have to
  - We want to ensure the smoothest transition of funds possible to meet cash flow needs
  - We want to be accountable for the resources entrusted to us – *track, track, and track some more*
  - Funds need to fund what they were Legislatively intended to fund - *it’s not our money*
Administration of Federal Assistance in the United States

- Federal Assistance whether through Grants and Aids appropriations or the Federal Grants management process or pure Federal benefits in the areas of education, health, public safety, public welfare, and public works, some totaling over $400 billion.
DCF’s Participation in Federal Grant Programs

- DCF Administers over $1.5 billion in Federal grants annually
- Overview of the Department’s Federal Dollar Allocation:
  - Indirect for Administrative Overhead – General Administration
  - Direct Grant Funded Programs – Department Programs
  - Pass Through Federal Dollars:
    - Benefits / Cash Assistance – Dollars to Individuals and Families – EBT SNAP Benefits and Cash Assistance, MAS, Repatriated Americans (Haiti), Refugee Assistance (Haiti)
    - Transfers to Other Agencies – DEO, Health, DJJ, AHCA
    - Payments to State and Local Entities – (Institutions, Mental Health and Substance Abuse Facilities, Crisis Counseling, CBCs, etc.)
    - Transfers from Other State Agencies – Medicaid, Disproportionate Share from AHCA, DCA (FEMA / HUD), Child Care Development Fund from DOE
Types of Federal Grants

- **Project Grants** – Awarded competitively and are the most common
  - DCF – Data Infrastructure Grants

- **Formula Grants** – Provide funds as dictated by law. Examples include programs like TANF
  - Categorical Grants – Grants that can be spent on narrowly defined purposes and often require some sort of recipient match participation – Supplemental Nutrition Assistance Program (SNAP), Title IV-B, Title IV-E Adoption Admin
  - Block Grants – Combine categorical grants into a single program. They give the states more leeway in program implementation and normally have a Maintenance of Effort Requirement – SSBG, TANF, SAMH, SSBG II

- **Earmarks** – Are explicitly specified in appropriations of the U.S. Congress – *The equivalent of our special project appropriations at the state level*
The Way the Feds Track / Manage Their Resources / Programs

- **Catalog of Federal Domestic Assistance (CFDA)** – Maintained by OMB within the U.S. General Services Administration for all Federal Agency Programs by Federal Agency
  - CFDA Number 93.XXX
    - First Two Digits for the Federal Agency
    - Last Three Digits for Each Federal Program Administered by that Agency
  - OMB Circulars – *Now Uniform Grant Guidance 2 CFR 200; 45 CFR 75*
    - Offer Guidance to Recipients, Sub-Recipients, Cost Principles, Etc.
- **DATA Act / FFATA**
**DUNS Number Requirement** – The federal government requires organizations to provide a DUNS number as part of their grant applications and proposals

- Dun and Bradstreet (D&B) is a company that provides business information for credit, marketing, and purchasing decisions. Its "data universal numbering system," known as DUNS, issues unique 9-digit numbers that are used by businesses and the federal government to keep track of more than 70 million businesses world-wide. Some entities, such as states and universities, will also have what is known as "DUNS + 4," which is used to identify specific units within a larger entity.


**Financial Status Reports** – Is a summary of expenditure/draw activity over a specified time period.

- **FSR 425 Other – We refer to it as the Federal Report**
- Federal Cash Transaction Reports, SF-272 (Replaced by the SF475)
- Request for Advance or Reimbursement, SF-270
Overview of Relationships

Federal Government

State Legislature

Appropriates and Defines Federal Programs and Related Application and Maintenance Processes

State Agencies

Appropriates State and Trust Fund Categorical Budgets

Administer State Budgets and Federally Awarded Grant Programs

Maintains Accounting Records on Activity

Reports on Grant Related Activity

Match and MOE to GR
Federal to a Specified Trust Fund

Maintains Cost Allocation and State Plan Documentation

Establishes Processes and Guidelines for Grant Management and Guidance at Various Levels to Ensure Proper Implementation
Part II – How Does the Federal Budget Process Work - Basics
Authorizing Statute

The Congressional Budget Act of 1974 lays out a formal framework for developing and enforcing a “budget resolution” to guide the process but in recent years the process has not always worked as envisioned.

http://www.cbpp.org/research/policy-basics-introduction-to-the-federal-budget-process
The President’s Budget is developed through an interactive process between the White House’ Office of Management and Budget and the various Federal agencies. Tells Congress what the President’s recommendations are for overall fiscal policy:

- Taxes – Tax Revenue Estimates and Policy
- Federal Government Spending for Specific Purposes
- Resulting Federal Surplus / Deficit calculated as the difference between the first two points.

Spending, Revenues, and the Deficit
In trillions of dollars, fiscal year 2015

- Spending: $3.7 trillion
- Revenues: $3.3 trillion
- Deficit: $0.4 trillion

Source: Office of Management and Budget
CBO Scoring and Budget Reconciliation At A Glance

- Unanimous Consent Calendars – *House and Senate*
- Budget Neutrality
- CBO Scoring – *Everything is Scored and Scored Some More*

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**H.R. 5456, Family First Prevention Services Act of 2016**

*As ordered reported by the House Committee on Ways and Means on June 15, 2016*

**Summary**

H.R. 5456 would amend title IV of the Social Security Act to make various changes to the child welfare system. The bill would provide federal matching funds to states for services that would help children who otherwise might enter foster care remain safely in their homes and for programs to support families caring for the children of relatives. It also would eliminate federal matching funds for some payments for foster children placed in nonfamily settings and would delay for two and one-half years federal matching for payments to certain families who adopt infants and toddlers. Finally, H.R. 5456 would extend the authorizations of several programs that provide child welfare services through 2021.

CBO estimates that enacting this legislation would, on net, reduce direct spending by $50 million over the 2017-2026 period. Because enacting the legislation would affect direct spending, pay-as-you-go procedures apply. Enacting H.R. 5456 would not affect revenues.

CBO also estimates that implementing the bill would increase discretionary costs by $2.5 billion over the 2017-2021 period, assuming appropriation of the authorized amounts.

CBO estimates that enacting H.R. 5456 would increase net direct spending and on-budget deficits by more than $5 billion in at least one of the four consecutive 10-year periods beginning in 2027.
### TABLE 1. SUMMARY OF THE BUDGETARY EFFECTS OF H.R. 5456, THE FAMILY FIRST PREVENTION SERVICES ACT OF 2016

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<tr>
<th>By Fiscal Year, in Millions of Dollars</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<th>INCREASES OR DECREASES (() IN DIRECT SPENDING</th>
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<td>Estimated Outlays</td>
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<th>INCREASES IN SPENDING SUBJECT TO APPROPRIATION</th>
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<td>Authorization Level</td>
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<td>Estimated Outlays</td>
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Note: Components may not sum to totals because of rounding; * = less than $500,000.

### BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 5456 will be enacted in fiscal year 2017, that the authorized amounts will be appropriated each year, and that spending will follow historical patterns.
PAY-AS-YOU-GO CONSIDERATIONS
The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in direct spending that are subject to those pay-as-you-go procedures are shown in the following table.

1. Budget neutrality statements
2. Impact statements regarding state, local, and tribal governments
3. Policy and regulatory impacts
4. Other Impacts
5. Private Sector Impacts
Types of Spending

- Annually Appropriated Programs – *Discretionary Spending*
  - Defense
  - Environmental Protection
  - Education
  - Job Training
- Taxes, “mandatory” or “entitlement” programs, and interest.
  - Medicare / Medicaid (ACA)
  - SNAP, TANF, Title IV-E
  - Spend estimated based on eligibility and policy rules / environmental factors
  - Tax Code Changes
Congress – Congressional Budget Resolution

- Budget Committee Work
- Concurrent Budget Resolution vs. A Bill
- House – Senate Conferences to Iron Out Differences
- Due by April 15
- Committee Spending – 302a allocations
- Enacting Budget Legislation

Federal Spending by Budget Function, Fiscal Year 2015

- Social Security 23%
- National Defense 15%
- Medicare 14%
- Income Security 13%
- Health 13%
- Net Interest 6%

Remaining programs 15% (Includes: agriculture, energy, general government, international affairs, veterans’ benefits and services, etc.)

Note: Figures do not add to 100 percent due to rounding.
Source: Office of Management and Budget

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG
Statutory Deficit-Control Mechanisms

- **PAYGO.** Under the 2010 Statutory Pay-As-You Go (PAYGO) Act, any legislative changes to taxes or mandatory spending that increase multi-year deficits must be “offset” or paid for by other changes to taxes or mandatory spending that reduce deficits by an equivalent amount.

- **Discretionary funding caps.** The 2011 Budget Control Act (BCA) imposed limits or “caps” on the level of discretionary appropriations for defense and for non-defense programs in each year through 2021. Appropriations in excess of the cap in either category trigger sequestration in that category to reduce funding to the capped level.
Statutory Deficit-Control Mechanisms

- **BCA sequestration.** On top of any sequestration triggered by PAYGO or funding cap violations, the BCA also requires additional sequestration each year through 2021 in discretionary and select mandatory programs, split evenly between defense and non-defense funding. This BCA sequestration was implemented as a result of a BCA-created congressional joint select committee’s failure to propose a legislative plan that would reduce deficits by $1.2 trillion over ten years. In the case of discretionary programs, for 2014 and after this special sequestration mechanism operates by reducing the appropriations caps below the level that the BCA originally set.

Conclusion

- Federal Appropriations and Spending Bills Difficult
- Substantive Changes are Difficult – Neutrality and Policy implications impacted by:
  - CBO Scoring
  - Tax and Outlay Estimates Mandatory Spending
  - Postponed Savings Spend
  - Kicking the Can Down the Road
  - Special Procedures – “Reconciliation”

Questions or Comments