ANNUAL PROGRESS REPORT ON IMPLEMENTATION OF PUBLIC LAW 106-107

Social Security Administration

Participation in the Government-wide Streamlining and E-Grants Efforts

The Social Security Administration (SSA) continued to participate in several grants streamlining initiatives over the past year that improve the effectiveness and performance of our grant programs, simplify the grant application and reporting processes, improve the delivery of services to the public, and facilitate greater communication among those responsible for delivering services.

We continue to participate on several intergovernmental workgroups and committees including:

♦ Interagency Electronic Grants Committee

♦ Grants Management Committee of the Chief Financial Officers Council

♦ Interagency Committee on Debarment and Suspension

SSA eGrants Initiative

SSA eGrants Market Research team has completed defining system functional requirements related to the potential purchase of an automated system to service SSA internal processing requirements. The process included the participation of multiple SSA Offices, SSA grantees, as well as, input from many Federal agencies. Our work has also considered the potential of obtaining a Federally-owned eGrants system and adapting it for use at SSA. Evaluation of existing federal eGrants systems has included gathering feedback from federal agencies possessing their own eGrants systems, discussions with product vendors, as well as, hands-on testing of marketed eGrants products. Subsequent to product testing, we have identified eGrants system customizations that would be required to accommodate SSAs system requirements. We included these findings in a cost benefit analysis to determine whether any particular existing system could be cost effectively adapted for use at SSA in a cost-effective manner. Thus far, our findings have not identified any such existing eGrants system. However, SSA has developed a Grants Electronic Library prototype, utilizing digital scanning and a document management facility, to potentially greatly reduce our dependency on paper. At this juncture, we also continue to consider evolving potential solutions to our processing requirements, while monitoring the merits of the eGrants system marketplace.

Internal Efforts to Create an Environment Conducive to Grants Streamlining and Simplification

General Approach

Proposed change in Financial Reporting Requirement

SSA's Grants Management Team moved forward with its proposal to change financial reporting requirements from quarterly reports to a less frequent period. We implemented a pilot using a select group of FY 2003 awardees to test and evaluate the effects of less frequent reporting on SSA staff and our grant recipients. During the pilot, two SSA programs are participating and are required to submit semi-annual reports in lieu of quarterly financial reports. The programs are the Benefits, Planning, Assistance and Outreach (116 cooperative agreements) and the Protection and Advocacy for Beneficiaries of Social Security (57 grants). Combined, these two programs represent 98% of the Agency's total grant portfolio.

Prior to initiating the pilot, the team met with various SSA program and financial management components to inform them of our planned efforts to reduce financial reporting frequency and to get their input. We also presented the proposal at a national conference where many of the grantees participating in the pilot were present. We received overwhelming support to move forward with the pilot.

SSA Grants Streamlining Initiative

SSA's Office of Acquisition and Grants has made the Grants Process Streamlining Initiative one of its priorities for the year. As such, we are carefully reviewing our grant awards process from beginning to end and identifying areas that need to be improved. While the Grants Management Team has taken the leadership role, we are working with SSA's program components and financial management staff that have key roles in the current process. Our objectives are to eliminate outdated and unnecessary steps in the process and redundancies, and to realign the remaining steps, working in conjunction with other initiatives such as eGrants, to achieve a smoother, more efficient process.

SSA-Specific Grant Rules

Prior to March 31, 1995, SSA was an operating component of the Department of Health and Human Services (HHS). As a result of Public Law 103-296, SSA became an independent agency on March 31, 1995. However, pursuant to section 106(b) of that law, the HHS regulations at 45 CFR part 76 dealing with nonprocurement, debarment and suspension, and the requirements for a drug-free workplace have remained applicable to SSA. In order to implement its own set of regulations on these topics, SSA is adopting the common rules on

nonprocurement, debarment and suspension, and requirements for a drug-free workplace with one amendment as new parts 436 and 439 in title 20 of the Code of Federal Regulations. HHS' regulations at 45 CFR Part 76 will cease to be applicable to SSA on the effective date of these regulations, in accordance with section 106(b) of Pub. L. 103-296.

On May 27, 2003, SSA published three grant rules in the Federal Register. Since1994 when the Social Security Independence and Program Improvements Act of 1994, Public Law 103-296, was enacted establishing SSA as an independent agency separate from HHS, SSA has set out to implement its own set of grants regulations, which codifies almost verbatim the text of the Office of Management and Budget Circular Number A-110 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations." These regulations establish SSA grants regulations, separate from the HHS regulations.

The three rules are:

1. 20 CFR part 435, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Non-Profit Organizations, and Commercial Organizations;"

2. 20 CFR part 437, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;" and

3. 20 CFR part 438, "New Restrictions on Lobbying." As such, SSA will be creating three additional new parts in Title 20 of the Code of Federal Regulations, which will become SSA grants administration rules.

Review and update of internal policies

The Grants Management Team continues to review and update our internal policies and guidelines to assure that they are in compliance with newly established SSA rules and with governmentwide streamlining initiatives. Specifically, we are establishing an SSA Grants Administration Manual and are updating the SSA Policy Handbook.

Preparing for the Recent and Coming Changes Affecting the Pre-Award Process

A. FedGrants.gov (previously FedBizOpps)

SSA is participating in the Federal government-wide eGrants initiative
FedGrants.gov. Our participation gives us the opportunity to work with other
Federal agencies in an effort to improve the Agency's grants management
processing capabilities and achieve greater consistency.

We have created an SSA organization profile on the FedGrants.gov website and
populated the Fedgrants.gov database with Agency users. We met with various
SSA users and acquainted them with systems use requirements. We also posted
actual grant opportunities to the FedGrants.gov website.

B. The E-Grants Portal and Electronic Applications

A separate facet of the Federal eGrants initiative is the Federal E-Apply facility, a
web-based alternative for submission of federal grant applications. When
requested, we provide feedback to the Federal eGrants taskforce in connection
with E-Apply. In addition, we are participating in the piloting of E-Apply as
preparations continue toward its intended implementation later this year.