

**ANNUAL PROGRESS REPORT ON IMPLEMENTATION
OF PUBLIC LAW 106-107
THE FEDERAL FINANCIAL ASSISTANCE
MANAGEMENT IMPROVEMENT ACT
U.S. Department of Education**

Participation in the Government-wide Streamlining and Grants.gov Efforts

- ◆ The U.S. Department of Education (ED) is a very active and consistent participant in all designated interagency workgroups, including Pre-Award, Post-Award and Audit Oversight. ED representatives participate regularly and substantively in each of these work groups, and are active in the Grants.gov initiative included in the President's Management Agenda (PMA). In addition, ED continues its longstanding involvement and participation in the **Interagency Electronic Grants Committee** (IAEGC) and all of its subcommittees. Staff from ED and the Department of Energy serve as co-chairs of the State and Local and Other Subcommittee (S&L). This Subcommittee provides outreach on behalf of Grants.gov to states, local governments, tribal governments, and nonprofits, including community and faith-based organizations. The S&L coordinates with these entities on strategies to seamlessly integrate and streamline the Grants.gov portal to ensure that it is responsive to their needs. Through the Research and Related Subcommittee (R&R) of the IAEGC, ED works with other research agencies and the Federal Demonstration Partnership on the development and review of the common research application, a grant application that contains all the data elements on the SF-424, plus additional research-specific data elements. ED representatives participate regularly with each one of the interagency workgroups.
- ◆ As a part of its participation in the **Pre-Award Workgroup**, ED initiated and helped to draft the Federal Register document that proposes to establish Title 2 of the Code of Federal Regulations, which will provide guidance in a single title to Federal agencies on grants and on other non-procurement agreements.
- ◆ Working with the **Interagency Committee on Debarment and Suspension**, ED helped update two government-wide common rules--the rule on non-procurement debarment and suspension and the rule on drug-free workplace requirements. As noted in the overall Public Law (P.L.) 106-107 Report, these efforts will provide better protection for Federal programs. The updates will also help to streamline and simplify

the rules by making them clearer and easier to use, and by reducing unnecessary requirements for applicants and recipients. By eliminating the current requirement to get a certification from each applicant with each application, both agencies and applicants will benefit.

- ◆ ED actively participated in the identification of the data elements for the Grants.gov Grant Synopsis and the Full Grant Announcement. These two resources will assist potential applicants by using common sets of data elements to make grant synopses and grant announcements more uniform across grant-making agencies. As an active participant in the Pre-Award Workgroup, ED supported other agencies in the use of a consolidated assurance policy statement. This approach addresses public concerns about current requirements for multiple and separate assurances.
- ◆ ED program and policy staff helped frame the strategy to develop approaches to streamlining **formula grants**. ED provided one of its formula grant programs for review and evaluation.
- ◆ ED has provided deliverables for review and comment to various subgroups of the **Post-Award Workgroup**, including a plan for performance reporting and the consolidated financial report.
- ◆ The **Audit Oversight Workgroup** includes the Recipient/Subrecipient Monitoring Subgroup, chaired by ED staff. Although this Subgroup is still in its formative phase, it has begun to collect and study existing subrecipient monitoring literature (agency regulations, agency directives and guides, commercial publications, etc.). It also is researching selected A-133 audits in which the auditee has been cited for subrecipient monitoring violations in order to find out what specific problems generated the audit findings.
- ◆ Considered a large grant-making agency, ED is one of the managing partners of Grants.gov. ED's Chief Financial Officer participates on the Grants.gov Program Management Office Executive Committee, and ED has assigned an FTE to the Grants.gov effort.

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

General Approach

- ◆ The Executive Management Team, which includes ED senior management, makes recommendations to the Office of the Deputy Secretary and ensures resources for the implementation of the PMA. The Deputy Secretary and the EMT review and make recommendations for policies to support internal streamlining efforts that complement those directed to external constituencies.
- ◆ The PMA requires that agencies integrate program budgets with performance indicators and outcomes. To that end, ED is creating a more performance-oriented grant application process that will focus on selecting applicants whose applications are structured to meet program performance measures and to yield data that will demonstrate achievement of program outcomes. Guidance in this regard is being developed and will be implemented for FY 2004 discretionary grant application packages.
- ◆ Management support for the implementation of P.L. 106-107 and Grants.gov has evolved over time to reflect personnel, administrative, and technological commitments. In addition, ED has provided new policy guidance for its own eGrants system, especially e-Application; has provided new eGrants training activities for ED staff; and will provide internal guidance regarding the migration of ED programs to the Grants.gov portal.
- ◆ ED-wide coordination of P.L. 106-107 and P.L. 105-227 (Government Paperwork Elimination Act) occurs at multiple levels. The Management Improvement Team in the Office of the Deputy Secretary tracks the implementation of the Secretary's Action Items related to the PMA. The Office of the Chief Information Officer and the Office of Chief Financial Officer (OCFO) collaboratively own action items related to eGov.
- ◆ To provide a climate for applicants to transition from ED's eGrants to the new Grants.gov system, the Office of Management and Budget and ED are discussing the best strategies for receiving electronic submission of grant applications.
- ◆ In addition, ED internal policy guidance now requires that all grant competition announcements be posted on Grants.gov. The first announcements were posted on March 3, 2003. Today, one hundred

percent of ED's funding announcements are being posted on Grants.gov, thus contributing to the federal government-wide eGov goal of making it easier for the public to find funding opportunities at a central location.

- ◆ The successful implementation of ED's e-Application pilot has introduced a culture change in the way applicants submit applications. E-Application facilitates the applicants' transition to Grants.gov.
- ◆ Because ED is a major partner in the training of applicants that are faith-based and community organizations, ED introduces the P.L. 106-107 and Grants.gov activities in the funding opportunities presentations for the White House Faith-Based and Community Organizations Conferences.

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

A. Electronic Synopsis

- ◆ Since the beginning of March 2003, ED has posted synopses of all of its announcements of funding opportunities on Grants.gov. This activity fulfilled ED's commitment to the PMO to launch postings in Grants.gov in March 2003. In order to prepare for this successful launch, ED's OCFO and Office of the General Counsel (OGC) worked together to develop procedures and instructions for the preparation, approval, and posting of funding opportunities using the new format. OGC prepared appropriate materials for distribution throughout ED while OCFO developed and provided the training to staff to implement the changes. OCFO staff also created the framework in the system for posting ED synopses and assisted staff in obtaining passwords for access to Grants.gov.
- ◆ OGC reviews a copy of each synopsis before it is posted at Grants.gov to ensure that it responds to all appropriate data elements and accurately reflects information in the full application notice (grants announcement) that ED publishes concurrently in the Federal Register. OGC began this process March 1, 2003.
- ◆ OGC assisted OCFO in training personnel from programmatic offices on preparing synopses and entering them into Grants.gov. Formal hands-on training sessions were held for ED staff, including some OGC staff, utilizing a training module. Training materials were developed specifically for these sessions using information from previously announced grant competitions.

B. Announcement Template

- ◆ For many years the Department of Education Regulatory Quality Manual (RQM) has included a chapter on how to prepare a short-form application notice (ED's term for a grant announcement). Much of the material prescribed by the OMB Office of Federal Financial Management policy directive on financial assistance program announcements, published in the Federal Register on June 23, 2003 (68 FR 37370), is already covered in the RQM.

C. The Grants.gov Portal and Electronic Applications

- ◆ ED is participating fully in Grants.gov and is planning a gradual transition to it to accept electronic applications. The transition plan is discussed in more detail below. ED has made both FTE and financial contributions to Grants.gov, and representatives of ED attend stakeholder meetings and Executive Board meetings of Grants.gov on a regular basis.
- ◆ In order to ensure that people with disabilities can successfully access Grants.gov, ED has initiated discussions with the Grants.gov Outreach contractor to conduct accessibility tests using the ED Technology Center, which is a leader in this field.
- ◆ Grants.gov selected ED to participate in its data modeling effort. ED provided application packages to help Grants.gov identify the level of effort involved with developing “core-plus” data sets (i.e., data elements that are beyond the core data defined by Grants.gov) and results from that effort were received in July. Participation in this effort facilitated the inclusion of data elements from ED standard forms into the Grants.gov pilot and will help ensure that ED standard forms are included in the first version of Grants.gov, scheduled for release in early October.
- ◆ ED is participating in the July and August 2003 Grants.gov pilot, and has identified several grantees who agreed to participate in this test. As part of the second version of the software for this summer’s pilot, Grants.gov intends to make available ED’s generic application package, which includes core-plus data elements. This implementation of core-plus data as part of Grants.gov is key to ED’s participation in Grants.gov, because no programs in ED use the OMB standard 424 forms (i.e. the core data).
- ◆ Because all ED programs have some data elements beyond the core data, ED is working on several efforts to identify and simplify applications with program-specific data elements. First, ED has reviewed all programs to determine which ones can use the existing generic application package. Second, ED is working with OMB to expand the generic application package, so that it can be used by more programs. Third, ED is reviewing its application packages to identify additional non-core data elements, including performance indicators, that can be included in the core-plus data elements accepted by Grants.gov.
- ◆ ED contributed to the final draft of the Research and Related Research cross-agency data set, providing revisions to significant data elements on human subjects. This draft proposal has been sent to OMB for approval and publication in the Federal Register in the near future. ED has

contacted its research components, and these components are fundamentally in agreement with the proposed R&R Research Application. Participation in this effort will increase the likelihood that ED can use this cross-agency data set in the future when Grants.gov incorporates more programs that collect data beyond the core data elements.

- ◆ The efforts to simplify and streamline the grant application data collections, along with the implementation of core-plus data in Grants.gov, are key to ED's participation when Grants.gov is fully implemented. ED plans to transition programs from its existing e-Application system to Grants.gov beginning with one or two programs that use ED's generic application after Grants.gov is implemented in October. The number of programs that move to Grants.gov during FY 2004 and the timing will depend on a number of factors. Those factors include whether Grants.gov goes live, ready to accept core-plus data using ED's generic application, and when the system-to-system integration will be available. In addition, moving programs that do not use the generic application will depend on when additional core-plus data can be incorporated into Grants.gov.
- ◆ Grants.gov currently plans to have ED's generic application data elements available when Grants.gov goes live in October, and, as stated above, ED plans to participate with one or two programs even before a system-to-system interface is available. Current plans are for ED to have a system-to-system interface available by February 2004 to pull electronic application data from Grants.gov and put it directly into the Grant Administration and Payment System. Once that integration is available, ED will move several more programs to Grants.gov and, based on the results of those programs, make a determination about when all programs that use the ED standard forms should use Grants.gov. Moving programs that do not use the generic application or ED standard forms will depend on when additional core-plus data can be incorporated into Grants.gov.
- ◆ In addition to its participation with Grants.gov, ED continues to make progress providing electronic application packages to its customers and receiving electronic grant applications using its existing electronic application system, e-Application. The e-Application web site has been operational for four years. This fiscal year, ED expects close to 50 percent of its programs to use e-Application to provide applicants the capability to submit electronic applications. ED continues to move toward a fully electronic grant process by implementing an electronic peer review (e-Reader), electronic payments (e-Payments), electronic performance reports (e-Reports), and electronic administrative changes (e-Administration).
- ◆ To further facilitate the use of e-Application, the Deputy Secretary

encourages the use of the generic application package. This application package is designed to use ED standard forms and the Education Department's General Administrative Regulations selection criteria rather than the program-specific criteria that need an extended rulemaking process.

Other

- ◆ **Federal Enterprise Architecture.** ED participates in OMB's Committee on Architecture and Infrastructure Governance. This Committee is leading a federal government-wide effort to establish the use of Extensible Markup Language data type definitions for public health and education agencies at both the federal and state levels. ED established a Data Architecture committee that will incorporate the eGrants data dictionary into the ED Enterprise Data Dictionary.