



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

April 8, 2009

M-09-17

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Peter R. Orszag
Director

SUBJECT: Improving Grants.gov

In February, as the President signed the Recovery Act into law, each Federal department and agency faced the challenge of quickly moving funds into States and communities to strengthen our economy while implementing an unprecedented level of accountability and transparency on how those funds are invested. While we are far from completion, we have worked together to provide a strong beginning to this vital effort to get our economy moving again.

- Already, Federal agencies have obligated more than \$40 billion. These dollars include: improvements to highways, transit, and railroads; healthcare IT improvements; housing and rental assistance; job training; and youth activities. Unemployment insurance programs are being modernized and people are receiving improved services and benefits.
- Agencies have announced nearly \$151 billion in formula and block grants that will be made available to States. These allocations enable States to foresee important increases to their budgets, and can influence State decision-making and benefit the economy even before they are technically obligated.

Now we face another challenge. As outlined in my March 9, 2009, memorandum, the public's central grant identification and application portal, Grants.gov, has experienced a significant increase in usage. Last year, the site on average received 3,900 applications a week. In one week in March, as the Recovery Act moved forward, the site received 11,000 applications. That pace is expected to grow as key Recovery Act deadlines approach. As it currently stands, the existing infrastructure would not be able to handle that influx of applications.

As a result, the Department of Health and Human Services (HHS), the Federal agency that operates and maintains Grants.gov, and the General Services Administration (GSA), which serves as the facilitator of government-wide solutions, are working together to initiate urgent improvements to the system. HHS has developed a solution to meet the immediate needs and GSA will assist with alternatives for select agencies while also identifying longer-term approaches to improve Grants.gov service delivery.

This plan cannot work without the collaboration of every Federal grant-making agency. We share the burden of living up to the expectations of the American people and delivering the transparency, accountability, and performance that we promised.

To facilitate the short-term and long-term improvements, each grant-making agency is being asked to cover a proportionate share of the improvement costs for Grants.gov. These improvements should result in a platform that better serves all partner agencies and establishes a foundation for a more efficient, flexible, and reliable system in the future. Attached is a chart (Attachment A) of the shared costs to be borne by each Federal grant-making agency, based on the same proportionate share applied by the Fiscal 2009 algorithm, as determined by the Grants Executive Board in July 2008.

At the moment, not all inter-agency contributions have been completed for the current fiscal year. With the enactment of the final appropriations package, agencies should be able to address the contribution shortfalls. The prior unpaid contributions will be used for the ongoing costs of system operations. Agencies which have not yet provided their prior Grants.gov contributions to HHS are requested to do so by Monday, April 13, 2009.

Some agencies will require Congressional notification/reprogramming letters regarding the additional inter-agency funding required for Grants.gov. These letters should be cleared with the agency's OMB Resource Management Office and transmitted to Congress by Monday, April 13, 2009. A suggested template is attached (Attachment B).

The final attachment (Attachment C) is a Memorandum of Understanding template. We ask that agencies use the template to provide the additional inter-agency Grants.gov funding. Once the MOU has been finalized, and pending the required timeframes resulting from Congressional notification/reprogramming processes, funds will be made available to HHS to bolster Grants.gov.

Due to the critical importance of this system, Senior Accountable Officials and OMB will assess progress on a weekly basis. To help ensure success, it is imperative that agencies adhere to the aforementioned actions and within the specified timeframes.

Cross-agency collaboration has been a vital part of moving the Recovery Act from an idea, to legislation, to law. That same cooperative spirit will help us to strengthen Grants.gov and ensure that the public's ability to access grant information and make application is unimpeded.

Questions about this memorandum can be addressed to recovery@omb.eop.gov.

Thank you for your cooperation.

Attachments

Attachment A

Department/Agency	Contribution for system improvements	Prior unpaid contributions as of 4-3-2009	Total contributions to be provided
Department of Health and Human Services	\$872,931		\$872,931
Department of Agriculture	\$493,131	\$1,067,885	\$1,561,016
Department of Education	\$493,131	\$630,052	\$1,123,183
Department of Housing and Urban Development	\$493,131	\$1,067,885	\$1,561,016
Department of Transportation	\$493,131	\$885,449	\$1,378,580
Department of Commerce	\$239,331	\$517,763	\$757,094
Department of Defense	\$239,331		\$239,331
Department of Energy	\$239,331		\$239,331
Department of Homeland Security	\$239,331	\$517,763	\$757,094
Department of the Interior	\$239,331	\$295,074	\$534,405
Department of Justice	\$239,331		\$239,331
Department of Labor	\$239,331	\$517,763	\$757,094
US Agency for International Development	\$239,331		\$239,331
Environmental Protection Agency	\$239,331		\$239,331
National Aeronautics and Space Administration	\$239,331	\$517,763	\$757,094
National Science Foundation	\$239,331		\$239,331
Department of State	\$59,931		\$59,931
Department of Veterans Affairs	\$59,931		\$59,931
Corporation for National and Community Service	\$59,931		\$59,931
Institute of Museum and Library Services	\$59,931		\$59,931
National Endowment for the Arts	\$59,931		\$59,931
National Endowment for the Humanities	\$59,931	\$129,299	\$189,230
Small Business Administration	\$59,931	\$129,299	\$189,230
Department of the Treasury	\$34,131		\$34,131
National Archives and Records Administration	\$34,131		\$34,131
Social Security Administration	\$34,131		\$34,131
Total	\$6,000,000	\$6,275,995	\$12,275,995

Draft Template

The Honorable _____
Chairman
Subcommittee on _____
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am writing to inform you of the Department of [xxyy] plans to increase its funding for an E-Government initiative in FY2009. [Department X] plans to allocate ____ for Grants.Gov, an increase of ___ over the previously planned amount. Government-wide, an additional \$6 million will be utilized for Grants.Gov, an increase of xxx over the previously planned amount.

Grants.gov is the Federal one-stop online portal, operated by the HHS, where potential grant recipients can find and apply for over 1,000 grant programs. This website plays a critical role in providing transparency to the various opportunities for which citizens are eligible to request funds. This initiative enables the government to meet many of the grant streamlining activities required by Public Law (PL) 106-107, Federal Financial Assistance Management Improvement Act, and other initiatives, such as deploying a unified search/find capability for grant opportunities, standard data sets, and a common mechanism and processes for applying for Federal grant funds. The Grants.gov initiative assists applicants and grantees in their efforts to streamline processes and reduce the burden associated with searching for Federal grant opportunities and completing disparate applications of Federal agencies and/or grant programs.

Prospective grantees and Americans in general, are seeking to access Grants.gov at an unanticipated and unprecedented rate now that both the American Recovery and Reinvestment Act (ARRA) and the FY 2009 full year appropriations have been enacted. As a result, system performance metrics, including slow processing times and long wait times for customer technical support, have indicated the need to invest in increased system and customer support capacities. The anticipated surge in funding opportunities posted, and users accessing the system resulting from ARRA funding, makes these system enhancement investments both critical and urgent.

The HHS Grants.gov Program Management Office (PMO), the Office of Management and Budget, and the Grants Executive Board (GEB), which consists of the 26 Federal grant-making agencies that use Grants.gov, have developed and approved a technical approach to optimize Grants.gov's system capacity and prepare for the impact of the Recovery Act. This plan includes enhancement of the existing Grants.gov production system (including system storage, hardware and software enhancements), and the Grants.gov Infrastructure, Customer and Business Support functions. These investments will facilitate the design of an enhanced system architecture which will improve customer service for all agency and public users -- not just

ARRA-related users. The higher overall funding level will also facilitate government-wide contingency planning.

[Department X] will finance its share of added Grants.gov funding by

Thank you for your support of the Department's programs. I have sent identical letters to the Chairman and Ranking Member of each Subcommittee of the Committee on Appropriations that oversees [Department X's] programs.

Sincerely,

(Secretary)

Draft Template

Memorandum of Understanding
Between
U.S. Department of Health and Human Services
Grants.gov Program Management Office
And
Department of ...

I. Purpose

The purpose of this agreement between the Department of ... and the Grants.gov Program Management Office (PMO) located in the Department of Health and Human Services (HHS) is to document payment made by... to support the technical enhancement “Boost” of the Grants.gov system (from now on referred to as the Grants.gov “Boost”) consisting of two major activities:

- Enhancement of the existing Grants.gov production system (including system storage, hardware and software enhancements)
- Grants.gov Infrastructure, Customer and Business Support Costs

Together, these two activity areas will facilitate the design of an enhanced system architecture which will improve customer service and can be implemented in a safe and expedient manner.

The amount of payment made by...is determined by an OMB-approved Grants.gov funding algorithm based on the FY 2009 categories which characterize Grants.gov agencies as: Extra Large, Large, Medium, Small and Extra Small. This funding algorithm for the Grants.gov “Boost” reflects the categories approved by the Grants Executive Board on June 7, 2006, and is similar to the approach used to allocate funding for the FY2009 Grants.gov operating budget. Based on OMB’s approved methodology and guidance, your agency’s contribution for the Grants.gov “Boost” is \$... (See Attachment A)

II. Background

The Grants.gov initiative has deployed Find and Apply functionality for Federal grants interactions. The Grants.gov Storefront provides electronic functionality for applicants and grantees, and reduces the paper-based processes that currently challenge the Federal grants environment. The initiative is designed to reduce existing inefficiencies, meet E-Gov goals, and provide benefits to both citizens and the government. Specifically, the initiative enables the government to meet many of the streamlining activities required by Public Law (PL) 106-107, Federal Financial Assistance Management Improvement Act, and other initiatives, such as deploying a unified search/find capability for grant opportunities, standard data sets, and a common mechanism and processes for applying for Federal grant funds. The Grants.gov initiative assists applicants and grantees in their efforts to streamline processes and reduce the burden associated with searching for Federal grant opportunities and completing disparate applications of Federal agencies and/or grant programs.

Grants.gov is widely recognized as an innovative approach to increase transparency and facilitate citizens' ability to search and apply for Federal funding assistance. The American Recovery & Reinvestment Act of 2009 (ARRA) provides an unprecedented increase in funding to Federal grant programs to help stimulate the U.S. economy. Recently, concerns have been raised regarding the ability of the Grants.gov system to handle the additional demand for grant information and the volume of grant application submissions expected relating to the ARRA.

Since inception, the Department of Health and Human Services (HHS) has served as the managing partner of Grants.gov on behalf of 26 agencies who use this service, provide its funding and govern its operations through a 26 – member Grants Executive Board. In 2006, Grants.gov processed 65,000 applications. In 2007, the number of applications nearly tripled, rising to 185,000. In 2008, 204,000 applications were submitted. Today, the Grants.gov “find” capability continues to function well, accommodating or supporting up to 200,000 daily users in their search for Federal grant opportunities. Grants.gov has however, also experienced a sharp increase in the number of grant applications submitted: from an average of 3,000 per week in December 2008 to 11,000 in one week in March 2009. Additionally, the Recovery Act is expected to result in an increase of approximately 75,000 additional grant applications flowing through Grants.gov. The Grants.gov PMO is the focal point for the continuing enhancement and operation of the Grants.gov system. The PMO also oversees budget estimates, requests, and justifications as well as contractor activities.

III. Scope of Work and Responsibilities:

Each grant-making agency shall:

- Adhere to the provisions of existing Grants.gov Memoranda of Understanding, including OMB guidance as clarified in OMB Memorandum M-04-05 dated January 7, 2004, entitled Clarification of Passback Language to Grant-Making Agencies, (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-05.html>) and M-04-14 dated June 18, 2004, entitled FY 2004 Grants.gov Funding and Advance Planning Guidance for FY 2005 – 2006, (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-14.pdf>)
- Make timely “Boost” payments to Grants.gov in accordance with the OMB-approved Grants.gov “Boost” funding algorithm and timetable.

Grants.gov shall:

- Adhere to the provisions in existing Grants.gov Memoranda of Understanding
- Oversee, manage, implement all aspects of the technical enhancement boost including the following:
 - **Additional server(s) and related equipment** to facilitate increased user log-on capacity, faster processing;
 - **Storage hardware** to ensure the system is equipped to store a larger volume of applications coming into the portal;
 - **Software** enhancements and network configuration to help balance system load and optimize available hardware;
 - **Annual recurring costs** for hard/software maintenances and licenses, hosting; and
 - **Labor** for O&M, development, and implementation
 - **Contact Center** support during the Recovery Act “surge” and the implementation of the technical enhancement

- **Independent Verification and Validation** for testing and monitoring of Grants.gov system to ensure technical enhancement activity smoothly and safely integrates with the existing system architecture
- **Monitoring Tool(s)** to provides “as the ‘user sees it’” experience and facilitate greater visibility into system performance issues from the “users” perspective
- **Surge Related Business Support Costs** to cover MOU tracking, ARRA reporting costs for 26 agency contributions, as well as interagency contract management fees, change management costs, etc.
- Communicate progress on the technical enhancement “Boost” activity to Grants.gov agency partners and OMB in a timely, transparent, and meaningful manner.

IV. Effective Date and Duration of Agreement

The effective date of the agreement is from the date of the last signature of the agreement. The agreement fulfills ... FY09 “Boost” funding commitment to Grants.gov. The agreement will remain in effect for the duration of the technical enhancement boost activities, unless amended by mutual consent of the parties of this agreement.

V. Project Oversight

Liaison will be maintained between an agency’s Grants Executive Board Member, and the Grants.gov Program Manager.

XY...	Grants.gov Program Manager /
Title	Acting Program Manager
Department of ...	Grants.gov
Address:	Office of the Assistant Secretary for
Email:	Resource and Technology
Tel:	Department of Health and Human Services
	200 Independence Ave., SW
	Washington, DC 20201
	Tel:Fax: 202-260-4823

The budget/financial contacts for this agreement are:

For Department of...:
 [Agency’s Budget/Finance Contact Name]
 [Title]
 Department of
 [Address]
 [Telephone Number]
 [Email]
 [Fax]

For ASRT:
 Dan Osborne, Budget Officer
 Office of the Secretary Executive Office
 Department of Health and Human Services
 200 Independence Ave., SW, Room 801
 Washington, DC 20201
 Tel: 202-205-9960
Daniel.Osborne@HHS.GOV

VI. Transfer of Funds

This Agreement transfers \$...in Fiscal Year 2009 funds from... to ASRT.

From Department of ...:

Agency Location Code: []

Appropriation Number: []

CAN: []

Object Class: []

Amount: \$...

Additional Information (if necessary):

To ASRT:

Agency Location Code: 75-03-0030

Appropriation Number: 7580120

CAN: 8-1990554

Obligation/Billing No.: 08-EG-3

Allowance: 002

Object Class: 25.38

Amount: \$...

DUNS No.: 112463521

Appropriation period of funds: (Please check funds type)

Single (current) year funds

Multi-year funds; if selected list the years for the funds

No year funds

ARRA funds used: (Please check whether source of funding is from ARRA)

Yes (If yes, please provide Treasury Appropriation Fund Symbol (TAFS))

No

Administration billing requirements will comply with GAO Policy and Procedures, Title 7, Section 8.4. Agency (...) agrees to make payment via Intragency Payment and Collection System (IPAC).

VII. Approval

[Signatory Name]

[Title]

Department of ...

[Signatory name]

Deputy Assistant Secretary for Grants

Department of Health and Human Services

Date: _____

Date: _____

Description and Breakdown of the Technical Enhancement Rough Order of Magnitude

- **Additional server(s) and related equipment** to facilitate increased user log-on capacity, faster processing;
 - **Storage hardware** to ensure the system is equipped to store a larger volume of applications coming into the portal;
 - **Software** enhancements and network configuration to help balance system load and optimize available hardware;
 - **Annual recurring costs** for hard/software maintenances and licenses, hosting; and
 - **Labor** for O&M, development, and implementation
- ** Total Government Estimated Bill of Materials = \$2.68m**

Grants.gov Infrastructure, Customer and Business Support Costs

- **Contact Center** - \$1.3m
 - Provide customer support during the Recovery Act “surge” and the implementation of the technical enhancement
- **Independent Verification and Validation** - \$.5m
 - Testing and Monitoring of Grants.gov system to ensure technical enhancement activity smoothly and safely integrates with the existing system architecture
- **Monitoring Tool(s)** - \$.2m
 - Provides “as the ‘user sees it’” experience to facilitate greater visibility into system performance issues from the “users” perspective
- **Surge Related Business Support Costs** \$.6m
 - Interagency contract management fees, change management costs, etc.

**** Total for Grants.gov Infrastructure/Support Costs: \$2.6m**