



GRANTS.GOV¹

"Agencies will allow applicants for Federal Grants to apply for and ultimately manage grant funds online through a common web site, simplifying grants management and eliminating redundancies."

Charlie Havekost was worried. As Program Manager for the Grants.gov initiative, designated by OMB eGov chief Mark Forman to lead the government-wide effort to integrate all Federal grants applications, September 2002 was fast approaching and he had little to show for it but conflict and confusion. His team had been at work since February, and progress on reconciling all Federal agencies onto a single standardized electronic grants process had gotten tangled in a thicket of minor but confounding agency objections. Havekost was going to have to find some breakthrough fast, or else report failure. And that, to Havekost, was personally unacceptable.

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When Grants.gov came into being as a Presidential directive, the Federal grants-making universe was already mature and well-defined. Twenty-six Federal agencies offered \$360 billion in federal grants annually through approximately 800 programs, comprising more than 210,000 individual awards to state, local and tribal governments, educational institutions and non-profits organizations. Major grants recipients like states and universities, and their grants contacts at the major agencies, knew and conducted business over clearly specified and well-understood channels.

Over time, one agency after another would take advantage of technologies to automate their unique grants process. As multiple systems emerged, gains to clarity and efficiency in one agency's process did not carry over to all agencies. Rather, hundreds of

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stove-piped, computerized, program-based grants systems sprung up – each highly tailored to an agency, a statutory program or authorization, and a customer-base.

Such individual specialization came at a price, however, especially to small or new grants seekers. Finding and applying for grants was hard - the stovepipes raised search-time costs for small or first-time grants-seekers and -makers to find each other. When grants-seekers did find a grants-maker, they faced onerous non-standard applications for the similar requests made to different programs or agencies.

For their part, government executives had little data and poor views of the total cost of service across all grants-making activities of the government. One thing clear about Federal grants-making was this: the system favored the “big” repeat customer, was well-rutted in a tried and true business process, comprised hundreds of highly peculiar grants processes, many anchored in charters or mandates protected by policy, regulation, or statute, and was characterized by considerable sums and resources expended by agencies in duplicate or overlapping services.

It did not fail notice, however, that all grants-making also shared common elements. At bottom, a customer had a need, a government had a program and a charter to address the need, an application was made by a grants seeker and evaluated by a grants-maker, and an award made. Could these shared elements translate into the making of a common, or integrated, “find and apply” process for Federal grants-making that could reduce total government costs, reduce inequities, and perhaps improve program effectiveness?

Years of discussion and development efforts meant to standardize grants administration and use digital technologies to integrate grants-making across agencies yielded little success. Worse, the innovation “meme” had been expended on apparent failure, and could be difficult to revive or invent anew.

Nonetheless, previous efforts had failed in interesting and important ways. In the 1990s, the government fully expected that it would soon manage all in-bound grants applications via EDI systems. To prepare, a cross-agency working group had defined a “kitchen sink” grants data set comprising many, if not all, grants-relevant data elements. Though it gained ANSI adoption as the EDI grants data set (“ANSI Transaction Set 194”) it had never been used or applied. EDI never became the platform of choice; agencies continued to customize agency-specific applications outside of an EDI environment; the TS 194 data definitions lay dormant.

In 1999, Congress still frustrated with the profusion of multiple, idiosyncratic agency systems, policies, and procedures, mandated further simplification and consolidation. Under what became known as Public Law 106-107, Federal agencies tasked working groups to rationalize the forms, but they barely achieved success, arriving only at a common format for opportunity announcements. They bogged down on the grant application itself. It turned out that starting with a clean slate, as they did, and debating each element anew made the task harder, not easier. Rather than achieve consensus around common elements, the process reinforced the differences among

agencies and their requirements. Still, a network of grants professionals in the federal government had been established and had built communication channels around a shared, important task.

In late 2001, the White House launched a new cross-agency modernization effort comprising 25 initiatives, among them, “E-Grants,” which later was to be re-branded as Grants.gov. To get organized, Mark Forman, Director of the OMB Office of E-Government and Information Technology, led a kickoff meeting of stakeholders in February 2002 that included constituents, users and agency team members. They decided upon two objectives to be achieved by the end of the fiscal year, in September. Together, they would give a new, streamlined “find and apply” capability to the Federal grantsmaking business.

First, the stakeholders agreed to develop a single web interface “storefront” to enable grant-seekers to find grant-makers and apply for opportunities. Second, they agreed to standardize the electronic grants application information and processes, develop unique identifiers for applicants that would be used by all agencies, and to link their agency to the unified web interface.

OMB designated the largest federal grantor, the Department of Health and Human Services (HHS), as Grants.gov’s managing partner agency. Other partner agencies include the Departments of Transportation, Education, Housing and Urban Development, Justice, Labor, Agriculture, Commerce, Defense, the National Science Foundation, and the Federal Emergency Management Authority.

Tommy Thompson, HHS Secretary, named Charles Havekost, HHS CIO, to be HHS lead, filling the Program Manager slot. Havekost built a governance group comprising an executive board of senior agency representative, and a subset steering committee. With colleagues he set about funding, staffing, and securing space for the operation, tithing the governance group a support fee based on the volume of grants they handled. When finished, the team comprised 15 staff and the budget at \$20 million over the first two years.

The team applied itself quickly towards its first deliverable, a single web interface for the “find” activity. They found an important precedent already developed and in use - FedBizopps.Gov, a single portal unifying all Federal business opportunities for business-seekers. With their eye on fedbizopps.gov, and using the common format for grant announcements developed earlier by the Public Law 106-107 working group, the Program team brought the grants.gov web “find” interface quickly to fruition – its first success.

The “find” function provided a common, single web portal based on searchable keywords. Its potential as the “great equalizer” was high -- a place where any grants-seeker, large or small, could locate any government grant having to do with “paving,” or “air conditioners,” or “HIV”. To buttress the value of the portal, the team persuaded OMB to require all agencies to post their opportunities to Grants.gov, avoiding the

tendency of some agencies to “hide” announcements, perhaps to facilitate a smaller universe of applications from “in the know” repeat customers.

As Program Manager, leader and ringmaster, Havekost faced many challenges to his leadership. His first task was to channel the enthusiasm of newcomers to collaboration – grants-makers all, but often meeting counterparts for the first time. “Part of the value they bring is the institutional knowledge they have – the wetware – about grants,” he observed. “But, sometimes they felt like they needed to show how much they knew – by making a snide comment, or tossing a grenade into a meeting.” To address that, Havekost purposefully personalized the issue. “I was ready to stand up there say, “Yes, it can work. Now you tell me why you think it cannot.” Above all, he wanted success, and conveyed his conviction. “I let everyone know that failure would be very bad for me; I wanted them to know I was going to sweat blood to make it work.”

By June, with such victories under its belt, the team turned its attention to the application itself – the “apply” side of the effort. The electronic application had been the undoing of earlier efforts and it proved nearly to be the undoing of grants.gov.

“It was not so much about the format as much as the data elements themselves,” recalled Havekost. “It really came down to the mindset that each agency had that their requirements were so unique that they could not be met by a government-wide solution.”

To his consternation, meetings seemed to turn increasingly to differences, rather than commonalities. “The problem was not a big agency standing off,” Havekost observed. “The problem was a thicket of smaller problems. Everyone immediately got down into the weeds and we heard this cacophony of voices each talking about their little sliver that was so different. *That was the problem*”

Alarmed that the summer was getting on without progress, Havekost convened his program team and planned a wide-ranging meeting with the agency representatives. “It had very bad prospects,” Havekost admitted. “Even the people from our own agencies and sub-agencies would be bringing up fractious issues.” Staring at the deadline, he had no choice but to make a go of it, even if it meant a “Hail Mary” play at the end.

A remarkable set of discoveries ensued, however. Working with the facilitator to review the terrain and map the upcoming meeting, the executive committee realized that an OMB-approved set of paper forms already existed – forms that agencies and sub-agencies used to manage paper-based applications for federal funds even then. The OMB SF-424 forms were generic, approved, and well-known to grants-seekers as well as grants-makers. Perhaps Grants.gov could repurpose the SF-424 form to comprise a “core” set of data for a consolidated *electronic* application.

What about all those agency needs *outside* this core data set? Was that not the heart of the matter – that agencies felt that they risked losing something dear that was working for them, in order to standardize on something new but which would work for the community?

The team noticed, again, that history provided a work-around: the ANSI 194 Transaction Set. Agencies could customize an addendum for data *outside* the core using the TS 194 ANSI-standard data elements.

“As soon as we saw it, it was like, ‘Oh my gosh!’” Havekost recalled.

But the team paused. This seemed odd. Had the answer been in plain view all along? Why hadn’t anyone else noticed this? What was “wrong” with this picture?

“Perhaps this was a case long-in-the-making of ‘perfect being the enemy of the good’,” Havekost observed. “The EDI set was completed, but never applied to applications, because EDI never became the environment.” Havekost said. “The electronic application was never finished because it got lost in the thicket of small objections.”

Pressed for success, the executive team opted to meld and “co-opt” existing standards as the path of least resistance. “It would be unassailable,” Havekost mused. “OMB was already using 424s, and could not object. There were grant programs around the government that *only* used the 424 family as a form -- it had everything they needed to accept grants electronically. Grantee *organizations* knew the 424 and were comfortable with it.”

That would leave any hold-out grants-makers quite isolated. If they claimed their customers would not like it, Havekost knew better. “That is not what they tell *me*,” he would reply.

Instead of disaster, the agency representatives acceded. “This gave us something that we did not have to fight about anymore,” Havekost said. “We had plenty of battles to go, but this was one that turned out we did not have to fight. All the people who had worked on the 194 set said, ‘That is very wise. You are using the 194 set.’ OMB and anybody who was using the 424 family of forms said, ‘Oh that is very wise. It is the 424 family of forms.’ Anyone else who said, ‘Well, I need this other thing...,’ we would say, ‘Fine. You can have it. Just pick the elements from the TS 194 set.’”

With the autumn upon it, the program team turned the corner, and met its deliverable. The executive committee turned its attention to its next challenge. Should it develop a web based application, or use downloadable, fillable forms? Havekost readied for the next round.