

**Joint Legislative Committee on Performance  
Evaluation and Expenditure Review (PEER)**

Report to  
the Mississippi Legislature



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## **Improving Mississippi's Ability to Compete for Federal Project Grants**

PEER believes that Mississippi state agencies have recently missed opportunities to obtain millions of dollars in federal project grant funds. Because the recently passed federal Budget Control Act will significantly curtail federal discretionary spending over the next ten years, competition will increase among states for limited federal project grant dollars.

PEER identified several states that have attempted to address deficiencies in individual state agencies' abilities to secure federal project grants by providing assistance through state-level grants offices. The key activities of such offices are identifying grant opportunities, assisting with grant applications, providing training in grantsmanship skills, tracking grant funding, and choosing which grants to pursue based on strategic policy goals. Mississippi relies primarily on individual state agencies to implement the majority of these activities related to seeking and obtaining federal project grants. Agencies report that their grantsmanship expertise consists of staff who have little or no training in the field and who must juggle grant-writing duties with other job responsibilities.

The Department of Finance and Administration (DFA) has both general and specific statutory authority related to the process by which state agencies seek grants from federal sources. DFA could help improve Mississippi's federal project grant-seeking efforts by becoming more proactive in performing the key support activities identified in this report and PEER suggests specific actions the department could take to do so. Also, PEER recommends that agencies' project grant applications be aligned with priorities set by the Governor in a statewide strategic plan at the beginning of each four-year term.

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The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U. S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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September 27, 2011

Honorable Haley Barbour, Governor  
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On September 27, 2011, the PEER Committee authorized release of the report entitled **Improving Mississippi's Ability to Compete for Federal Project Grants.**

A handwritten signature in cursive script that reads "Harvey Moss". The signature is written in black ink and is positioned above a horizontal line.

Representative Harvey Moss, Chair

**This report does not recommend increased funding or additional staff.**



## *Table of Contents*

Letter of Transmittal .....	i
Executive Summary .....	v
Introduction .....	1
Authority .....	1
Problem Statement.....	1
Scope and Purpose .....	1
Method .....	2
Why should Mississippi become more competitive in identifying and applying for federal project grants?.....	4
Missed Grant Opportunities Identified in 2011 Legislative Session.....	4
Possibility of Missed Grant Opportunities Suggested by Federal Discretionary Grant Data .....	5
Emerging Environment of Fewer Federal Project Grant Dollars.....	5
How do other states seek to improve their chances of securing federal project grants?.....	7
Contiguous States' Practices for Identifying and Applying for Federal Project Grants .....	7
Key Activities of Other State-Level Grants Offices.....	7
What is Mississippi's current approach to obtaining federal grants? .....	12
Mississippi's Approach to Obtaining Federal Project Grants, by Key Activity .....	12
Insufficient Grants Expertise Corroborated by PEER's Survey of State Agencies .....	17
What opportunities does Mississippi have to improve its federal project grant-seeking efforts?.....	18
DFA's Statutory Authority Related to State Agencies and Federal Grants.....	18
How DFA's Role Could Be Expanded in the Process of Agencies' Seeking and Obtaining Grants .....	19
State Agencies Should Apply for Project Grants that Align with Established Statewide Priorities.....	21
Appendix: Methodologies Used to Estimate the Dollar Amount of Possible Missed Federal Project Grant Opportunities for Mississippi State Agencies in FFY 2009 .....	23



# Improving Mississippi's Ability to Compete for Federal Project Grants

## Executive Summary

### Introduction

Although several types of external funding might be available to state agencies, this report addresses funding made available through federal *project grants*. According to the *Catalog of Federal Domestic Assistance*,<sup>1</sup> *project grants* provide funding, for fixed or known periods, of specific projects.<sup>2</sup> Unlike a formula grant, a project grant awards funds on the basis of a competitive process.

The information presented in this report applies primarily to state agencies and excludes local units of government because the state's planning and development districts are available to assist local governments in securing and administering federal, state, and private foundation grants.

PEER's primary objective was to determine the most feasible methods of improving and expanding the capabilities of Mississippi state agencies to identify, apply for, and secure federal project grant funds.

### Conclusions

#### Why should Mississippi become more competitive in identifying and applying for federal project grants?

PEER believes that Mississippi state agencies have recently missed opportunities to obtain millions of dollars in federal project grant funds. Because the federal Budget Control Act will significantly curtail federal discretionary spending over the next ten years, the competition will increase among states for limited federal project grant dollars.

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<sup>1</sup> The *Catalog of Federal Domestic Assistance* lists all federal programs available to state and local governments, federally recognized tribal governments; territories (and possessions) of the United States; domestic public, quasi-public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals.

<sup>2</sup> *Project grants* may include fellowships, scholarships, research grants, training grants, traineeships, experimental and demonstration grants, evaluation grants, planning grants, technical assistance grants, survey grants, and construction grants.

## **How do other states seek to improve their chances of securing federal project grants?**

PEER identified several states that have attempted to address deficiencies in individual state agencies' abilities to secure federal project grants by providing assistance through state-level grants offices. The key activities of such offices are identifying grant opportunities, assisting with grant applications, providing training in grantsmanship skills, tracking grant funding, and choosing which grants to pursue based on strategic policy goals.

## **What is Mississippi's current approach to obtaining federal project grants?**

Mississippi relies primarily on individual state agencies to implement the majority of activities related to seeking and obtaining federal project grants. Agencies report that their grantsmanship expertise consists of staff who have little or no training in the field and who must juggle grant-writing duties with other job responsibilities.

## **What opportunities does Mississippi have to improve its federal project grant-seeking efforts?**

The Department of Finance and Administration (DFA) could help improve Mississippi's federal project grant-seeking efforts by becoming more proactive in performing each of the key support activities PEER identified in this report. DFA has both general and specific statutory authority related to the process by which state agencies seek grants from federal sources. PEER believes that DFA could expand its role in grant seeking and grant application and suggests the following specific actions the department could take to do so.

Also, PEER recommends that agencies' project grant applications be aligned with priorities set by the Governor in a statewide strategic plan at the beginning of each four-year term.

### ***Improving Identification of Federal Grant Opportunities***

1. In order to stay abreast of available federal funding, DFA should continue its subscription with the Federal Funds Information for States (FFIS) service for the foreseeable future. In addition, to the extent allowable under the terms of its contract with FFIS, DFA should make the data available through this service to all executive branch agencies. Also, DFA should educate state agencies' staff, preferably through an online webinar, on how to tailor their FFIS grants searches based on funding needs and priorities.



2. DFA should continue to research the availability of federal project grants for specific purposes, upon the request of state agencies.
3. DFA's budget staff should encourage agencies to seek federal project grant funds by making them aware of opportunities and directing them to staff and/or online information that can assist them in the grant application process.
4. DFA staff should encourage state agencies' staffs to monitor data reported in the *Catalog of Federal Domestic Assistance*, the *Consolidated Federal Funds Report*, and *The Federal Assistance Award Data System* in order to identify available federal project grant funds for which Mississippi state agencies could apply. Also, in conjunction with the Joint Legislative Budget Committee, DFA should amend the budget request forms to require state agencies to describe federal project grants for which the agencies applied during the preceding fiscal year and the agencies' success in obtaining such funds.

#### ***Utilizing and Developing Grant Writing Expertise***

5. DFA should encourage state agencies to identify existing staff to serve as grants coordinators for the agencies. DFA staff should work with the grants coordinators (and the State Personnel Board) to identify grant writing training needs within the agencies, as well as steps that could be taken by DFA and the agencies to make the grants identification and application process more efficient.

#### ***Improving the Collection and Reporting of State Agency Federal Grants Data***

6. With the development of its Transparency Mississippi website and the imminent upgrade of the state's enterprise information system in MAGIC, DFA is positioned to have the ability to collect and report detailed federal grants data for all state agencies. In recognition of the importance of a comprehensive grants database to state lawmakers and policymakers, DFA should ensure that Transparency Mississippi and MAGIC are fully operational as quickly as possible. DFA should report any external impediments to their full implementation (e. g., failure of state agencies to provide necessary data) to leadership in both the executive and legislative branches in order to develop appropriate corrective action.

***State Agencies Should Apply for Project Grants that Align with Established Statewide Priorities***

7. By July 1 of the first year of each Governor's term of office, he or she should develop a state-level strategic plan that sets the priorities, goals and objectives of his or her administration (refer to PEER's report *Enterprise Mississippi: A Vision for State Government* (Report # 518, December 8, 2008). Such a plan would direct resources, including federal grant funds, toward achieving state-level priority goals and objectives.

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# Improving Mississippi's Ability to Compete for Federal Project Grants

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## Introduction

### Authority

In accordance with MISS. CODE ANN. Section 5-3-51 et seq. (1972), the PEER Committee conducted a review to determine how the state could improve its ability to secure federal project grant funds.

### Problem Statement

In view of information obtained during the 2011 legislative session regarding some state agencies' missed opportunities in securing federal project grant dollars, a concerned legislator requested that PEER research the possibilities of expanding the state's capabilities for identifying and obtaining these grants.

PEER's subsequent survey of state agencies regarding their project grant identification and application practices confirmed that the state could improve its efforts and expertise in this arena. The recent passage of the Budget Control Act of 2011 (i. e., the federal debt and deficit bill) will most likely change the funding environment at all levels of government and Mississippi's need to be as competitive as possible in seeking scarce federal dollars will become even more urgent. (See pages 4 through 6 for additional discussion of the need for improving Mississippi's approach to identifying and obtaining federal project grants.)

### Scope and Purpose

#### Scope

Although several types of external funding might be available to state agencies (e. g., private foundation funds), this report addresses funding made available through federal *project grants*. According to the *Catalog of Federal*

*Domestic Assistance*,<sup>1</sup> project grants provide funding, for fixed or known periods, of specific projects.<sup>2</sup> Unlike a formula grant, a project grant awards funds on the basis of a competitive process.

The information presented in this report applies primarily to state agencies and excludes local units of government because the state's planning and development districts are available to assist local governments in securing and administering federal, state, and private foundation grants.

## Purpose

PEER's primary objective was to determine the most feasible methods of improving and expanding the capabilities of Mississippi state agencies to identify, apply for, and secure federal project grant funds.

To achieve this objective, PEER addressed the following questions:

- Why should Mississippi become more competitive in identifying and applying for federal project grants?
- How do other states seek to improve their chances of securing federal project grants?
- What is Mississippi's current approach to obtaining federal project grants?
- What opportunities does Mississippi have to improve its grant-seeking efforts?

## Method

In conducting this review, PEER:

- contacted surrounding and selected states to determine to what extent and how these states perform project grant identification and application functions;
- reviewed literature regarding grant identification and writing;

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<sup>1</sup> The *Catalog of Federal Domestic Assistance* lists all federal programs available to state and local governments, federally recognized tribal governments; territories (and possessions) of the United States; domestic public, quasi-public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals.

<sup>2</sup> *Project grants* may include fellowships, scholarships, research grants, training grants, traineeships, experimental and demonstration grants, evaluation grants, planning grants, technical assistance grants, survey grants, and construction grants.

- surveyed selected state agencies in Mississippi that have received federal project grant funds; and,
- analyzed grant data from the *Catalog of Federal Domestic Assistance*, the *Consolidated Federal Funds Report*, *The Federal Assistance Award Data System*, and the U. S. Bureau of the Census for Federal Fiscal Year 2009 (the most recent data available).

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## Why should Mississippi become more competitive in identifying and applying for federal project grants?

PEER believes that Mississippi state agencies have recently missed opportunities to obtain millions of dollars in federal project grant funds. Because the federal Budget Control Act will significantly curtail federal discretionary spending over the next ten years, the competition will increase among states for limited federal project grant dollars.

### Missed Grant Opportunities Identified in 2011 Legislative Session

*During the 2011 Regular Session of the Legislature, PEER determined that state agencies had not taken full advantage of more than \$22 billion in federal project grant funds made available to states, local governments, and other entities through the Patient Protection and Affordable Care Act.*

While conducting legislative assistance during the 2011 Regular Session, PEER determined that state agencies in Mississippi were not taking full advantage of more than \$22 billion in discretionary project grant funds made available to states and local governments, local health care providers, non-profit organizations, and public/private partnerships through the federal Patient Protection and Affordable Care Act. The grants made available under the act were intended to drive improvements in America's health care system by transforming how health care is paid for and delivered to patients.

Only two state agencies in Mississippi, the Department of Insurance and the Department of Health, had applied for and received grants under this act, totaling \$3.3 million. While the act also made grant funds available to public medical and nursing schools, none of the state's community and junior colleges applied for the funds. Of the state's institutions of higher learning, only the University of Mississippi Medical Center applied for funds under the act, but was notified that it did not meet eligibility criteria for the grant for which it applied.

At a hearing held by the House Medicaid Committee to determine why state agencies were not more aggressively seeking grant funds made available through the Patient Protection and Affordable Care Act, representatives of at least one state agency stated that they did not have the staff resources necessary to identify and apply for federal project grants.

## Possibility of Missed Grant Opportunities Suggested by Federal Discretionary

### Grant Data

***In Federal Fiscal Year 2009, Mississippi potentially missed receiving approximately \$6 million to \$11 million in project grant funds.***

PEER analyzed official FY 2009 data (the most recent data available) from the *Catalog of Federal Domestic Assistance*, the *Consolidated Federal Funds Report*, *The Federal Assistance Award Data System*, and the U. S. Bureau of the Census to determine Mississippi's missed federal project grant opportunities. (See the Appendix, page 23, for a description of the criteria for grants that PEER categorized as possible "missed opportunities.")

PEER did not contact each potential grant applicant to determine whether agencies had legitimate reasons for choosing not to pursue individual grant opportunities (e.g., the grant was not in line with the agency's priorities, lack of agency expertise to implement the grant program).

Using the most conservative analysis, PEER determined that in Federal Fiscal Year 2009, Mississippi potentially missed receiving approximately twenty-eight federal project grants, with accompanying funding totaling between \$6 million and \$11 million, depending on the method of estimation used (see the Appendix, page 23). While this amount is small compared to the approximately \$722.4 million in federal project grant funds that Mississippi did receive for state agencies, it does represent funds that could possibly have been obtained but were not.

## Emerging Environment of Fewer Federal Project Grant Dollars

***The recently passed federal Budget Control Act will significantly curtail federal discretionary spending over the next ten years and in this highly competitive environment, the need for Mississippi state agencies to improve their grant-seeking skills becomes more urgent.***

By significantly curtailing federal discretionary spending over the next ten years, the Budget Control Act signed into law on August 2, 2011, will increase the competition among states for increasingly limited federal project grant dollars. In this highly competitive environment, the need for Mississippi state agencies to address deficiencies in identifying available grants and grant writing expertise becomes more urgent.

Mississippi's ability to maximize federal project grant opportunities is further compromised by the state government's lack of statewide goals and a statewide

strategic plan. As discussed on pages 10-11, statewide goals and priorities help a state to better target its limited resources, including its grant-seeking efforts.



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## How do other states seek to improve their chances of securing federal project grants?

PEER identified several states that have attempted to address deficiencies in individual state agencies' abilities to secure federal project grants by providing assistance through state-level grants offices. The key activities of such offices are identifying grant opportunities, assisting with grant applications, providing training in grantsmanship skills, tracking grant funding, and choosing which grants to pursue based on strategic policy goals.

### **Contiguous States' Practices for Identifying and Applying for Federal Project Grants**

*Of the four states contiguous to Mississippi, three (Alabama, Louisiana, and Tennessee) do not currently operate state-level grants offices that work exclusively to identify grant opportunities and assist agencies with grant applications.*

PEER examined how the states contiguous to Mississippi identify and apply for federal project grants. As in Mississippi, three of the states (Alabama, Louisiana, and Tennessee) do not currently operate state-level grants offices and thus depend on grantsmanship expertise within individual state agencies to identify and apply for federal project grants.

In 1983, Arkansas established a state-level grants office for reviewing applications for federal funding assistance. The primary function of the Arkansas State Clearinghouse is to publish notification of all federal grant awards in the state for a thirty-day review and comment period. The Office of Intergovernmental Services also provides grant-related assistance to state agencies, including identification of federal project grant opportunities, upon request.

### **Key Activities of Other State-Level Grants Offices**

*PEER reviewed other states' efforts to improve their state agencies' abilities to secure federal project grant funds through state-level grants offices and identified key activities of such offices: identifying grant opportunities, assisting with grant applications, providing training in grantsmanship skills, tracking grant funding, and choosing which grants to pursue based on strategic policy goals.*

PEER identified other states that have (or have had in recent years) state-level offices to support agencies' efforts to secure federal project grant funds—i. e., Arkansas, Maryland, Louisiana, Texas, Indiana, and Iowa. Key activities of these offices include:

- helping state agencies to identify federal project grant opportunities;
- assisting in writing project grant proposals or reviewing project grant applications and making recommendations for improvement;
- providing state agency staff with training to improve their grantsmanship skills;
- tracking federal project grant funding to state agencies; and,
- aligning state agencies' federal project grants with the state's strategic policy goals.

The following sections address each of these activities in greater detail.

## **Helping State Agencies to Identify Federal Project Grant Opportunities**

In order to maximize federal discretionary grant opportunities, it is important that state agency employees identify and apply for all project grant opportunities that address established priorities (either agency-wide or statewide).

PEER found that state-level grants offices help state agencies to identify competitive federal grant opportunities through one or more of the following activities:

- establishing a website with hyperlinks to active lists of federal grant opportunities (e. g., Grants.gov [the primary source for identifying and applying for federal grants], the *Catalog of Federal Domestic Assistance* [a searchable database of detailed program descriptions for federal assistance programs]);
- providing webinars with instructions on how to utilize federal grant websites to identify project grant opportunities relevant to the state agency conducting the search; and,
- active monitoring of federal project grant opportunities through contact with staff of federal agencies and notifying relevant state agency contacts of possible grant opportunities by e-mail and/or Twitter.

Also, some state-level grants offices influence the creation of federal project grant opportunities for their state by working through their governor's office staffs to lobby their congressional delegations for specific grant funding.

## **Assisting in Writing Project Grant Proposals or Reviewing Project Grant Applications**

Some state-level grants offices help state agencies win competitive grants through one or both of the following activities:

- assisting state agency staff in writing grant proposals; and,
- reviewing grant applications and making recommendations for improvement prior to submission of the application to the federal granting agency.

While some state-level grants offices have their own staffs to perform these activities, others match experienced grant writers with less experienced grant writers in other state agencies to assist with their efforts. For example, the Maryland Governor's Grants Office works through a State Grants Team comprised of designated grants contact persons from each state agency.

## **Providing State Agency Staff with Training to Improve Grantsmanship Skills**

Competent, well-trained grant writers increase the success rate of obtaining project grant funding. State agencies' employees who identify and apply for federal discretionary grants need sufficient training so that they will be empowered to identify all potential opportunities and will have the necessary skills to apply for grant funds. These staff should be knowledgeable of the numerous regulations, policies, and procedures governing federal project grant funds.

PEER found that state-level grants offices train state agency staff to find and win competitive grants through:

- formal training sessions held throughout the year and taught by state grants office staff, experienced state agency grant writing staff, and professional grantsmanship trainers;
- annual training conferences;
- training webinars and PowerPoint presentations provided on the agency's website;
- a training library made available on the agency's website that includes relevant training articles;
- state grants office newsletters made available on the agency's website that contain grants training articles;
- posting answers to grants-related questions e-mailed to the agency's website; or,

- pairing less experienced grant writing staff at individual state agencies with more experienced grant writing staff at other state agencies for mentoring.

Specific training topics taught through state-level grants offices include researching grant opportunities and grant writing.

## **Tracking Federal Project Grant Funding to State Agencies**

Also important to improving agencies' grants identification and application efforts is a database with current and pending information on the status of state agencies' federal project grant applications and funding. Data in a single, uniform database may be used to forecast the state's current and future commitment to federal grant programs and could prevent duplication of effort by several state agencies in applying for the same grant.

This database may also be used as an oversight mechanism for decisionmakers (e. g., legislators, state agency managers, the governor) to identify what grant applications have been submitted and their status, what grants have been awarded, and the funding amounts.

State-level grants offices measure and track federal project grant funding to the state by:

- obtaining data from federal grants websites such as the U. S. Census Bureau's *Consolidated Federal Funds Report* (provides information on federal funds nationally, by state, and by county) and USASpending.gov (lists federal grant awards to each state by fiscal year, federal agency, and award recipient);
- requiring state agencies to submit an annual list of grants obtained, which is then posted on the state grants agency website; and,
- compiling an annual report of federal funds that state agencies have received during the fiscal year and a forecast of expected federal funds to be received in the upcoming fiscal year.

## **Aligning State Agencies' Federal Project Grants with State Strategic Policy Goals**

During the project grant identification and application process, state agencies should consider the goals and objectives that have been defined and prioritized in a strategic plan.

Strategic planning is utilized in the private sector and has been recognized as an integral part of state government operations for years at the program, agency, and statewide

level. Such planning may be used as an effective tool to forecast future consequences of today's decisions on an entity. Strategic plans, if prepared correctly, can potentially benefit an organization or entity by focusing on outcomes or results, providing a framework for decision-making based on action rather than reaction, limiting crisis-driven decisions, and increasing input and communication from employees during the planning process.

Consideration of a strategic plan is important to those agencies and individuals that identify and apply for federal project grants so that they will know what types of grants to focus on in their application efforts. Some state-level grants offices track the extent to which the federal project grants obtained by state agencies align with the state's strategic policy goals. For example, the Maryland Governor's Grants Office prepares an annual report that lists the number and dollar value of the state's federal project grants that align with each of the state's fifteen strategic policy goals. The office strongly encourages state agencies to seek and obtain federal project grants that align with these goals.

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## What is Mississippi's current approach to obtaining federal project grants?

Mississippi relies primarily on individual state agencies to implement the majority of activities related to seeking and obtaining federal project grants. Agencies report that their grantsmanship expertise consists of staff who have little or no training in the field and who must juggle grant-writing duties with other job responsibilities.

While most grant-seeking and grant application functions in Mississippi are carried out at the individual state agency level, the Department of Finance and Administration currently provides some assistance to state agencies in identifying federal project grant opportunities, upon request. Also, the State Personnel Board offers two classes to state agency personnel in grant writing and grants management.

With respect to the tracking and reporting of grants information, the Mississippi Accountability and Transparency Act mandates public online access to grants information for state government. The Department of Finance and Administration (DFA) expects this information to be available for Federal Fiscal Year 2012. With full implementation of the Mississippi Accountability System for Government Information and Collaboration (MAGIC) within the next two years, DFA will have additional capabilities related to tracking and reporting of grants information, including grant applications.

PEER surveyed thirty-two state agencies regarding their experiences with federal project grant identification and application. Page 17 contains a summary of the results of the survey.

### Mississippi's Approach to Obtaining Federal Project Grants, by Key Activity

*Although the Department of Finance and Administration provides some assistance to state agencies upon request, Mississippi relies primarily on the individual state agencies for the majority of activities related to seeking and obtaining federal project grants. Also, DFA is in the process of implementing systems to capture and publicly report grants-related information.*

In the previous chapter regarding other states' efforts to improve their ability to secure federal project grant funds, PEER identified key activities of state-level grants offices:

- helping state agencies to identify federal project grant opportunities;

- assisting in writing project grant proposals or reviewing grant applications and making recommendations for improvement;
- providing state agency staff with training to improve their grantsmanship skills;
- tracking federal project grant funding to state agencies; and,
- aligning state agencies' federal project grants with the state's strategic policy goals.

This section compares the grant-seeking and grant application functions in Mississippi to those key activities.

## **Identifying Federal Project Grant Opportunities: Mississippi's Approach**

*While Mississippi primarily relies on individual state agencies to identify federal project grant opportunities, DFA provides some assistance to state agencies in identifying opportunities, upon request.*

According to PEER's survey of state agencies, some of the state agency employees who are responsible for identifying and applying for federal project grants may not have the skills to identify all potential grant opportunities.

While no state-level office posts notifications of new federal project grants as they become available, DFA does subscribe to the Federal Funds Information for States (FFIS) service, whereby state-level executive and legislative agencies with full subscriptions receive updates regarding federal funding issues. Specifically, in addition to providing regular budget briefs and state policy reports, FFIS informs subscribers about opportunities to maximize federal funds through competitive grants. DFA has routinely made this information available to the Governor's Office and three state agencies and it is available to other executive branch agencies upon request to DFA.

Also, upon request, DFA researches the availability of federal project grants for specific purposes (e. g., federal grant funds for law enforcement equipment for the Department of Public Safety).

While DFA's budget staff consults with state agencies on matters related to their budget requests, it does not make suggestions to agencies regarding the types of funds (e. g., federal project grant funds) an agency might seek for its budget.

## **Applying for Grants: Mississippi's Approach**

*Mississippi relies on individual state agencies to apply for federal grants. Other than two classes offered by the State Personnel Board (see*

*discussion in Training section), no state level office provides support to state agencies developing grant proposals.*

DFA does not assist agencies in developing grant proposals nor has it publicly identified and developed a statewide grants team that includes individuals who are considered “grants experts” at each state agency who could assist state agencies lacking grant-writing expertise.

## **Training in Grant Identification and Grant Writing: Mississippi’s Approach**

*The State Personnel Board offers two grantsmanship classes for state agency employees, but has not taught the classes since February 2008 due to insufficient demand.*

As noted previously, in Mississippi, grants expertise varies from agency to agency, with some agencies having the capacity to seek and obtain grants proactively and other agencies having little expertise.

Grant identification and grant writing are general support functions with basic skill sets that could be taught to staff across all agencies.

The Mississippi State Personnel Board (SPB) lists two classes related to grants in its *Professional Development Course Descriptions*--one class on developing grant proposals and one class on grants management--and offers these classes upon request. However, according to SPB’s Office of Workforce Development, these classes have not been taught since February 2008 because demand for the classes has been insufficient.

## **Tracking Agencies’ Grant Applications and Funding: Mississippi’s Approach**

*Although complete online information on agencies’ grant applications and grant funding is not currently available, DFA is already in the process of implementing the systems to capture and report this information publicly.*

Until DFA’s information/accountability system upgrade is complete and its online data transparency website is fully operational (see discussion in following sections), it is difficult for the Governor, the Legislature, and the public to stay abreast of the federal grant activities of each agency or to develop a statewide policy regarding the role of federal funds in meeting statewide priorities.

### ***Mississippi Accountability and Transparency Act Grant Reporting Requirements***

Enacted in 2008 and amended in 2011, the Mississippi Accountability and Transparency Act (MISS. CODE ANN.



Section 27-104-151 et seq. [1972]) requires DFA to create and maintain a searchable website that provides easy public access to state government performance data and expenditure data from all funding sources. The act requires the website to include for each grant that is the funding source for an expenditure of state government:

- an electronic summary of the grant, including grant amendments; and
- a grant number that clearly identifies the specific source of authority for making the expenditure.

The act requires each agency to provide to DFA the required data within fourteen days of a grant award, including amendments. The act requires the website to include data for all fiscal years beginning with Fiscal Year 2010 and to maintain public accessibility to the data for a minimum of ten years.

In an effort to comply with the provisions of the Mississippi Accountability and Transparency Act, DFA launched the Transparency Mississippi website (<http://www.transparency.mississippi.gov>). The Grants section of the website is searchable by agency name or grant number. As of August 2011, the website contained the following information for twelve grants reported by the Mississippi Department of Human Services and one grant reported by the Mississippi Arts Commission:

- the state agency's Statewide Automated Accounting System (SAAS) number;
- the state agency contact person and contact information;
- the SAAS federal aid number;
- the federal grant award number;
- the grant title;
- the grant start and end dates;
- the federal granting agency;
- the amount of the grant;
- the CFDA (*Catalog of Federal Domestic Assistance*) number; and,
- a link to the federal grant notice of obligation (grant award).

According to DFA, the Transparency Mississippi website currently includes grants data for only two state agencies because agencies have been slow to comply with the act's reporting requirements. DFA staff said that they expect agencies' compliance with reporting requirements to increase beginning with the new federal fiscal year on October 1, 2011. Once MAGIC is fully operational (see discussion in next section), DFA will have a mechanism in

place to prohibit the expenditure of grant funds until the agency provides the required grant documentation to DFA for online posting.

### ***Grant Reporting Component of the Mississippi Accountability System for Government Information and Collaboration (MAGIC)***

The Department of Finance and Administration is currently in the process of upgrading its enterprise data warehouse from the Mississippi Executive Resource Library and Information Network (MERLIN) to the Mississippi Accountability System for Government Information and Collaboration (MAGIC). According to DFA staff, MAGIC will have the capability for standardization in tracking and reporting grant information beginning with an agency's application for federal grant funds through the grant award (or disapproval of the grant application), expenditure of the grant funds, and final close-out of the grant. MAGIC's financial and grants management modules should be completed this fall and implementation of these modules is scheduled for January 2013.

### **Applying for Grants that Align with Established Priorities: Mississippi's Approach**

*Mississippi has not established a comprehensive statewide strategic plan that sets statewide funding priorities and drives the identification of grant funding opportunities at the state level. Individual agencies may or may not be seeking grants based on their agency-level strategic plans.*

Optimally, Mississippi would have goals and objectives laid out in a state-level strategic plan, discussed in PEER's report *Enterprise Mississippi: A Vision for State Government* (Report #518, December 8, 2008). A statewide strategic plan would help agencies in grant seeking because it would help to prioritize their resources in identifying and applying for project grants that correspond to the state's (and the agency's) mission, vision, goals, and objectives. To date, Mississippi has not established a comprehensive statewide strategic plan.

Because Mississippi does not have state-level goals and objectives laid out in a statewide strategic plan, the responsibility lies with individual agencies to guide their own grant-seeking efforts. The Mississippi Performance Budget and Strategic Planning Act of 1994 (specifically, MISS. CODE ANN. Section 27-103-155 [1972]) requires each agency to complete a five-year strategic plan that is included as an addendum to each agency's budget request. However, these strategic plans do not conform to an overall state vision. The pursuit of agency-specific priorities could possibly be to the detriment of the pursuit of statewide priorities.

## Insufficient Grants Expertise Corroborated by PEER's Survey of State Agencies

*According to PEER's survey of state agencies' experiences with federal project grant identification and application, their grantsmanship expertise consists of staff who have little or no training in the field and who must juggle grant-writing duties with other job responsibilities.*

PEER contacted thirty-two state agencies regarding their experiences with federal project grant identification and application. The twenty-six agencies responding to the survey reported the following:

- While over three-fourths of the responding agencies reported engaging in networking, proactive searches, and/or routine searches to identify grant opportunities, over half reported having no training or very little training in identifying grant opportunities.
- When asked to identify agency weaknesses in grant writing, ten of the agencies responding reported not having any weaknesses. However, five of those ten also reported having no or very little training in applying for grants.
- Seven agencies reported that staff juggle grant-writing duties with other job responsibilities and six reported having insufficient staff for grant writing.
- Eight agencies reported that they believed that they had missed grant opportunities because of insufficient staff to handle the application/grant-writing process.
- None of the agencies responding to the survey reported employing full-time grant writers--i. e., the individuals who write the grants for state agencies responding to the survey have other primary job responsibilities.

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## What opportunities does Mississippi have to improve its federal project grant-seeking efforts?

The Department of Finance and Administration could help improve Mississippi's federal project grant-seeking efforts by becoming more proactive in performing each of the key support activities PEER identified in this report.

### **DFA's Statutory Authority Related to State Agencies and Federal Grants**

*DFA has both general and specific statutory authority related to the process by which state agencies seek grants from federal sources.*

MISS. CODE ANN. Section 27-104-1 (1972) created and empowered the Department of Finance and Administration, giving it broad authority to manage the fiscal affairs of state governmental agencies. DFA has both general and specific statutory authority related to the process by which state agencies seek grants from federal sources.

### **General Authority of the Department to Administer Fiscal Affairs**

MISS. CODE ANN. Section 27-104-1 et seq. and Section 27-104-101 et seq. (1972) provide broad authority to administer the fiscal affairs of state agencies. CODE Section 27-101-3 confers upon the Department of Finance and Administration broad power to provide technical assistance and training to state agencies in management and executive development. Additionally, the same section authorizes the department to provide temporary assistance to agencies in public administration. This mandate alone is sufficiently broad to empower DFA to train and assist agencies in the improvement of grantsmanship skills.

Further, CODE Section 27-104-103 empowers the department to provide agencies with administrative guidance. The department may also analyze and develop policies for efficient management practices.

These two sections conferring general powers grant significant authority to assist agencies in a broad range of fiscal and managerial matters. Such authority would be sufficiently broad in scope to encompass providing agencies with grants-related training, grant application expertise and assistance, and monitoring of grant opportunities to ensure that agencies are aware of the

existence of project grants in their areas of subject-matter jurisdiction.

## **Specific Authority Over State Agencies and Federal Grants**

While the above citations are from the department's general authority, one section of significance, MISS. CODE ANN. Section 7-1-255 (1972), is derived from statutory authority granted to the now-repealed Governor's Office of Federal-State Programs.

In 1980, the Legislature enacted MISS. CODE ANN. Section 7-1-251 et seq. (1972), creating the Governor's Office of Federal-State programs. This agency, housed within the Office of the Governor, had previously been created by Executive order 29, February 14, 1968.

In 1989, Section 544, *Laws of 1989*, abolished the Office of Federal-State Programs and transferred its authority to several state agencies. A provision of statute law of critical importance, CODE Section 7-1-255, which granted the office its general powers, was amended to empower the Department of Finance and Administration to carry out those powers.

This section empowers DFA to work with state agencies and local governments toward the end of administering federal-state programs in a fair, efficient, and coordinated fashion. It is reasonable to conclude this authority extends to assisting agencies in the process by which they may seek and obtain grants from federal sources.

### **How DFA's Role Could Be Expanded in the Process of Agencies' Seeking and Obtaining Grants**

*PEER believes that DFA could expand its role in grant seeking and grant application and suggests specific actions the department could take to do so.*

#### **Improving Identification of Federal Grant Opportunities**

1. In order to stay abreast of available federal funding, DFA should continue its subscription with the Federal Funds Information for States (FFIS) service for the foreseeable future. In addition, to the extent allowable under the terms of its contract with FFIS, DFA should make the data available through this service to all executive branch agencies. Also, DFA should educate state agencies' staff, preferably through an online webinar, on how to tailor their FFIS grants searches based on funding needs and priorities.

2. DFA should continue to research the availability of federal project grants for specific purposes, upon the request of state agencies.
3. DFA's budget staff should encourage agencies to seek federal project grant funds by making them aware of opportunities and directing them to staff and/or online information that can assist them in the grant application process (see discussion in next section of recommendations).
4. DFA staff should encourage state agencies' staffs to monitor data reported in the *Catalog of Federal Domestic Assistance*, the *Consolidated Federal Funds Report*, and *The Federal Assistance Award Data System* in order to identify available federal project grant funds for which Mississippi state agencies could apply. Also, in conjunction with the Joint Legislative Budget Committee, DFA should amend the budget request forms to require state agencies to describe federal project grants for which the agencies applied during the preceding fiscal year and the agencies' success in obtaining such funds.

### **Utilizing and Developing Grant Writing Expertise**

5. DFA should encourage state agencies to identify existing staff to serve as grants coordinators for the agencies. DFA staff should work with the grants coordinators (and the State Personnel Board) to identify grant writing training needs within the agencies, as well as steps that could be taken by DFA and the agencies to make the grants identification and application process more efficient.

### **Improving the Collection and Reporting of State Agency Federal Grants Data**

6. With the development of its Transparency Mississippi website and the imminent upgrade of the state's enterprise information system in MAGIC, DFA is positioned to have the ability to collect and report detailed federal grants data for all state agencies. In recognition of the importance of a comprehensive grants database to state lawmakers and policymakers, DFA should ensure that Transparency Mississippi and MAGIC are fully operational as quickly as possible. DFA should report any external impediments to their full implementation (e. g., failure of state agencies to provide necessary data) to leadership in both the executive and legislative branches in order to develop appropriate corrective action.

## State Agencies Should Apply for Project Grants that Align with Established Statewide Priorities

*PEER recommends that agencies' project grant applications be aligned with priorities set by the Governor in a statewide strategic plan at the beginning of each four-year term.*

7. By July 1 of the first year of each Governor's term of office, he or she should develop a state-level strategic plan that sets the priorities, goals, and objectives of his or her administration (refer to PEER's report *Enterprise Mississippi: A Vision for State Government* (Report #518, December 8, 2008). Such a plan would direct resources, including federal grant funds, toward achieving state-level priority goals and objectives.





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## Appendix: Methodologies Used to Estimate the Dollar Amount of Possible Missed Federal Project Grant Opportunities for Mississippi State Agencies in FFY 2009

To estimate the dollar amount of possible<sup>3</sup> missed federal project grant opportunities for Mississippi state agencies in FFY 2009, PEER analyzed FFY 2009 federal project grants reported in the *Catalog of Federal Domestic Assistance* (CFDA) and the *Federal Assistance Award Data System* (FAADS) and identified 169 federal project grants that:

- were funded to an entity in one or more states, but not to an entity in Mississippi; and,
- a state agency was eligible to receive.

From this list, PEER used a confidence level of 90% and an error rate of 10% to select a representative random sample of forty-nine grants. PEER first reviewed the forty-nine grants in order to exclude any that were targeted to projects in states other than Mississippi (e. g., Chesapeake Bay Studies). PEER then took a conservative approach to identifying possible missed opportunities by also excluding any grants that:

- required matching funds or collaboration with other agencies; or,
- a Mississippi state agency had received in recent years (in order to account for the possibility that an agency no longer needed the grant because it had already obtained funds from this source and achieved the grant's purpose).

PEER determined that eight of the forty-nine grants in its sample (16.3%) met the criteria used to identify a possible "missed opportunity." Using the percentage of possible missed federal project grant opportunities identified through the sample (16.3%), PEER estimated that Mississippi state agencies possibly missed twenty-eight federal project grant opportunities in FFY 2009 out of the

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<sup>3</sup> PEER uses the word "possible" because it did not have the data to determine whether the grants for which Mississippi state agencies received no federal funds in FFY 2009 were due to legitimate reasons (e. g., a grant not comporting with agency priorities, lack of agency resources to support the grant), in which cases the grant might not represent a true missed opportunity. Also, PEER did not have the data to indicate whether any state agencies applied for the grants for which no state agency funding was received in FFY 2009. While a failed application could be due to problems with the writing of the grant, it could also be due to competitive factors over which the agency might not have control.

169 federal project grants for which state agencies were eligible and Mississippi received no funds.

To estimate the amount of federal project grant funds that Mississippi state agencies might have received in FFY 2009 out of total available project grant funds nationwide for the twenty-eight possible missed federal project grant opportunities identified through the sample, PEER used two methodologies--one developed by PEER staff and the other developed by the Virginia Joint Legislative Audit and Review Commission (JLARC).

### **PEER's Estimation Method**

To estimate the dollar amount of possible missed federal project grant opportunities to Mississippi state agencies for each of the eight grants identified by PEER in the sample (see previous discussion), PEER calculated the per capita dollar amount of the total awards to all states for each of the eight grants in FFY 2009 and then multiplied this per capita figure by Mississippi's 2010 population to arrive at \$3,197,728 in possible missed federal project grant opportunities for the sample. To estimate the total dollar amount of possible missed federal project grant opportunities for Mississippi state agencies in FFY 2009, PEER applied a multiplier of 3.5 (calculated by dividing the total estimated number of missed grant opportunities [twenty-eight] by the number of possible missed grant opportunities identified in the sample group [eight]) to the dollar estimate for the sample group (\$3,197,728) to arrive at a conservative total estimate of \$11.1 million.

### **Virginia JLARC's Estimation Method**

JLARC estimated its possible dollar share of missed federal project grant opportunities by calculating the percentage of its total population to the national population and applying that percentage to the total grant award amount for each opportunity that it missed. Using JLARC's method, PEER calculated Mississippi's share of the dollar amount of possible missed grant opportunities for the eight grants identified in the sample to be \$1,870,205.61. Using the same 3.5 multiplier as in PEER's estimation method, total estimated missed federal grant opportunities for Mississippi state agencies in FFY 2009 using JLARC's method were \$6.5 million.

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