

113TH CONGRESS
1ST SESSION

H. R. 3316

To amend title 31, United States Code, to provide transparency and require certain standards in the award of Federal grants, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2013

Mr. LANKFORD (for himself, Mr. ISSA, and Mr. WALBERG) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To amend title 31, United States Code, to provide transparency and require certain standards in the award of Federal grants, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Grant Reform and
5 New Transparency Act of 2013” or the “GRANT Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Grants transparency requirements.

Sec. 4. Report requirements relating to grants.

Sec. 5. Plan for improving the single audit process.

1 **SEC. 3. GRANTS TRANSPARENCY REQUIREMENTS.**

2 (a) GRANTS TRANSPARENCY REQUIREMENTS.—

3 (1) IN GENERAL.—Subtitle V of title 31,
4 United States Code, is amended by inserting after
5 chapter 73 the following new chapter:

6 **“CHAPTER 74—GRANTS TRANSPARENCY**
7 **REQUIREMENTS**

“Sec.

“7401. Definitions.

“7402. Merit-based selection procedure requirements in awarding grants.

“7403. Pre-award evaluation requirements.

“7404. Website relating to Federal grants.

“7405. Debriefing.

8 **“§ 7401. Definitions**

9 “In this chapter:

10 “(1) APPLICANT.—The term ‘applicant’ means
11 an entity that submits a proposal or application for
12 a grant.

13 “(2) COMPETITIVE GRANT.—The term ‘com-
14 petitive grant’ means a grant entered into through
15 the use of merit-based selection procedures for the
16 purpose of allocating funds authorized under a grant
17 program of an Executive agency.

18 “(3) EXECUTIVE AGENCY.—The term ‘Execu-
19 tive agency’ has the meaning given that term in sec-
20 tion 105 of title 5, except the term does not include
21 the Government Accountability Office.

1 “(4) GRANT.—The term ‘grant’ means an
 2 award of Federal financial assistance through a
 3 grant agreement or cooperative agreement making
 4 payment in cash or in kind to a recipient to carry
 5 out a public purpose authorized by law.

6 “(5) GRANT REVIEWER.—The term ‘grant re-
 7 viewer’, with respect to a grant—

8 “(A) means any individual who reviews,
 9 evaluates, or participates in the decision to se-
 10 lect a grant applicant for award of the grant;
 11 and

12 “(B) includes—

13 “(i) a peer reviewer;

14 “(ii) a merit reviewer; and

15 “(iii) a member of a technical evalua-
 16 tion panel or board or a special emphasis
 17 panel.

18 “(6) PROPOSAL ABSTRACT.—The term ‘pro-
 19 posals abstract’, with respect to a grant proposal,
 20 means a summary containing key elements of the
 21 grant proposal.

22 **“§ 7402. Merit-based selection procedure require-**
 23 **ments in awarding grants**

24 “(a) MERIT-BASED SELECTION PROCEDURES RE-
 25 QUIRED.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), an Executive agency shall use merit-based
3 selection procedures in awarding grants.

4 “(2) EXCEPTION FOR CERTAIN GRANTS.—An
5 Executive agency is not required to use merit-based
6 selection procedures in awarding a grant if the grant
7 is a block grant or formula grant for which Federal
8 funds are required to be allocated in accordance with
9 a distribution formula prescribed by law or regula-
10 tion, or any other grant in which the allocation
11 methodology for the grant funds is mandated by law.

12 “(b) REQUIREMENT FOR SPECIFIC MERIT-BASED
13 SELECTION PROCEDURES.—Each Executive agency shall
14 establish and make publicly available online specific merit-
15 based selection procedures for each grant program of the
16 agency required under subsection (a) to use such proce-
17 dures.

18 “(c) MERIT-BASED SELECTION PROCEDURES DE-
19 SCRIBED.—

20 “(1) IN GENERAL.—The merit-based selection
21 procedures required under subsection (a) shall pro-
22 mote the use of competition, and may be tailored to
23 the particular requirements, objectives, and authori-
24 ties of the agency. The procedures may address mat-
25 ters such as consideration of unsolicited proposals,

standards for obtaining a competitive pool of applicants, and exceptions for safety, security, or other circumstances.

“(2) SPECIFIC MATTERS INCLUDED.—The merit-based selection procedures required under subsection (a) shall include, with respect to a grant, the following:

“(A) A clear statement of the purpose, duration (including anticipated grant continuations), and eligibility requirements of the grant.

“(B) A description of the manner in which applications or proposals for the grant will be evaluated, ranked, and selected for award, including the weighting of any evaluation factors or criteria that will be considered.

“(d) ADVANCE NOTIFICATION OF GRANT OPPORTUNITY REQUIRED.—

“(1) AGENCY NOTIFICATION.—Not later than 60 days before the date on which a grant opportunity becomes available, the head of the relevant Executive agency shall notify the Director of the Office of Management and Budget.

“(2) PUBLIC NOTIFICATION.—Not later than 30 days after receipt of the grant opportunity de-

1 scribed under paragraph (1), the Director shall
2 make available online the specific matters described
3 under subsection (c)(2) with respect to such grant.

4 **“§ 7403. Pre-award evaluation requirements**

5 “(a) EVALUATION REQUIRED.—Before awarding a
6 competitive grant, an Executive agency shall conduct an
7 evaluation of the ability of the prospective grantee to suc-
8 cessfully carry out the grant.

9 “(b) MATTERS COVERED.—The evaluation required
10 by subsection (a) shall include a review of the following:

11 “(1) FINANCIAL MANAGEMENT SYSTEM.—The
12 capability of the financial management system of the
13 applicant to appropriately manage and account for
14 funds according to accepted cost accounting prin-
15 ciples determined by the Office of Management and
16 Budget.

17 “(2) INTERNAL CONTROLS.—The internal fi-
18 nancial and administrative control systems of the
19 applicant.

20 “(3) COMPLIANCE WITH REPORTING.—The ca-
21 pability of the applicant to comply with Federal re-
22 porting requirements for recipients of Federal funds.

23 “(4) PAST PERFORMANCE AND INTEGRITY.—
24 The past performance and record of integrity of the
25 applicant.

1 “(5) OTHER QUALIFICATIONS AND COM-
2 PETENCE.—The ability of the applicant to success-
3 fully carry out the purposes of the grant.

4 “(6) OTHER FEDERAL ASSISTANCE.—Whether
5 the applicant has received other Federal funds
6 through a contract or other type of assistance
7 through a search of the System for Award Manage-
8 ment and the Federal Assistance Award Data Sys-
9 tem.

10 “(c) SIMPLIFIED EVALUATION PROCEDURE FOR
11 CERTAIN APPLICANTS.—

12 “(1) IN GENERAL.—In conducting the evalua-
13 tion required under subsection (a) with respect to an
14 applicant, an Executive agency shall minimize the
15 burden on any covered applicant and shall consider
16 any existing findings with respect to that covered
17 applicant under the single audit process under chap-
18 ter 75 of title 31 related to the matters in subsection
19 (b).

20 “(2) COVERED APPLICANT DEFINED.—In this
21 subsection, the term ‘covered applicant’ means an
22 applicant that has received more than \$10,000,000
23 in Federal grants during the previous 10 years be-
24 fore the date on which the evaluation occurs.

1 **“§ 7404. Website relating to Federal grants**

2 “(a) REQUIREMENT.—The Director of the Office of
3 Management and Budget shall upgrade any existing or
4 proposed public website for finding Federal grant opportu-
5 nities and applying for such grants so that such website
6 may serve as a central point of information and provide
7 full access for applicants for competitive grants. The
8 website shall capture in one site, or provide electronic links
9 to, other relevant databases.

10 “(b) NOTICE OF COMPETITIVE GRANT FUNDS
11 AVAILABILITY.—At the time an Executive agency issues
12 a solicitation or otherwise announces the availability of
13 funds for a competitive grant, the agency shall post on
14 the grants website maintained under this section relevant
15 information about the grant opportunity, including the fol-
16 lowing:

17 “(1) ANNOUNCEMENT AND PURPOSE.—The
18 grant announcement and purpose of the grant.

19 “(2) GRANT PERIOD.—The time period for per-
20 formance of the grant and whether the agency an-
21 ticipates that the grant will be continued.

22 “(3) AMOUNT OF AVAILABLE FUNDS.—The
23 amount of funds available for the grant.

24 “(4) ELIGIBILITY.—A statement of eligibility
25 requirements of the grant.

1 “(5) AGENCY POINT OF CONTACT.—Contact in-
2 formation for the Executive agency, including the
3 name, telephone number, and electronic mail address
4 of a specific person or persons responsible for an-
5 swering questions about the grant and the applica-
6 tion process for the grant.

7 “(6) EVALUATION FACTORS OR CRITERIA.—A
8 clear statement of the evaluation factors or criteria
9 that the agency intends to use to evaluate and rank
10 grant applications or proposals submitted, including
11 the weight to be applied to each factor or criterion.

12 “(7) DISCLOSURE OF THE PROCESS AND
13 STANDARDS FOR SAFEGUARDING AGAINST CON-
14 FLICTS.—A description of the process and standards
15 to be used by the agency to determine that each
16 grant reviewer does not have a prohibited conflict of
17 interest, as defined by applicable statute or regula-
18 tion, with respect to the evaluation or review of a
19 grant application or proposal, or the decision to
20 award a grant.

21 “(8) DEADLINE.—The deadline for submission
22 of grant applications or proposals.

23 “(c) USE BY APPLICANTS.—The grants website
24 maintained under this section shall, to the greatest extent
25 practicable, allow grant applicants to—

1 “(1) use the website with any computer plat-
2 form;

3 “(2) search the website for all competitive
4 grants by purpose, funding agency, program source,
5 and other relevant criteria;

6 “(3) apply for a competitive grant using the
7 website;

8 “(4) manage, track, and report on the use of
9 competitive grants using the website; and

10 “(5) provide all required certifications and as-
11 surances for a competitive grant using the website.

12 “(d) GRANT AWARD INFORMATION.—

13 “(1) IN GENERAL.—For each competitive grant
14 awarded by an Executive agency, the agency shall
15 post on the grants website maintained under this
16 section the information described in paragraph (2).
17 Except as provided in paragraphs (2)(A), (2)(B),
18 and (3), the information shall be posted within 30
19 days after an Executive agency notifies an applicant
20 that the applicant has been selected to receive a
21 grant award and shall be updated as necessary while
22 the grant to the recipient is being performed.

23 “(2) INFORMATION POSTED.—For purposes of
24 paragraph (1), the information described in this sec-

1 tion with respect to each grant awarded by an Exec-
2 utive agency is the following:

3 “(A) EXECUTED GRANT AGREEMENT.—

4 Subject to paragraph (3), a copy of the final
5 grant agreement, including the terms and con-
6 ditions and the time period for performance of
7 the grant.

8 “(B) COPY OF PROPOSAL, APPLICATION,

9 OR PLAN.—Subject to paragraph (3), a copy of
10 any proposal, application, or plan submitted for
11 the awarded grant, including any amendment to
12 the proposal, application, or plan (whether
13 made before or after the award of the grant).

14 “(C) AWARD DECISION DOCUMENTATION

15 AND RANKINGS.—Documentation explaining the
16 basis for the selection decision for the grant,
17 the number of proposals received for the grant,
18 and, with respect to the proposal that resulted
19 in the grant award, the numerical ranking of
20 the proposal by grant reviewers, if numerical
21 rankings were assigned.

22 “(D) JUSTIFICATION FOR DEVIATING

23 FROM RANKINGS.—In any case in which the
24 award of the grant is not consistent with the
25 numerical rankings or any other recommenda-

1 tions made by grant reviewers, a written jus-
2 tification explaining the rationale for the deci-
3 sion not to follow the rankings or recommenda-
4 tions.

5 “(E) DISCLOSURE OF PEER REVIEWERS.—

6 The employer, and either the name and title or
7 a unique identifier, of each individual who
8 served as a peer reviewer for the grant program
9 concerned, during the six-month period pre-
10 ceding the award of the grant.

11 “(F) DISCLOSURE OF OTHER GRANT RE-

12 VIEWERS.—The name, title, and employer of
13 each individual who served as a reviewer (other
14 than a peer reviewer) of proposals or applica-
15 tions for the grant, regardless of whether the
16 individual is employed by the Federal govern-
17 ment or not.

18 “(3) EXCEPTION TO POSTING REQUIREMENT.—

19 Notwithstanding paragraphs (1), (2)(A), and (2)(B),
20 if the head of the Executive agency determines, with
21 respect to a particular grant award, that posting the
22 proposal, application, or plan at the time described
23 in paragraph (1) would adversely affect an appli-
24 cant, the agency—

1 “(A) may post a proposal abstract or execu-
2 utive summary; and

3 “(B) shall post the complete proposal, ap-
4 plication, or plan for any proposal that is re-
5 leased under section 552 of title 5, United
6 States Code (commonly known as the Freedom
7 of Information Act), not later than 60 days
8 after the date on which the proposal, applica-
9 tion, or plan is released.

10 “(e) GRANT PERFORMANCE INFORMATION.—Unless
11 otherwise prohibited by law, with respect to each grant
12 awarded by an Executive agency, within 60 days after the
13 end of the period for completion of the grant, the agency
14 shall post on the grants website maintained under this sec-
15 tion the following information:

16 “(1) The final report or other final written
17 product required under the terms of the grant.

18 “(2) Other related data or results of the grant,
19 or links to other related data or results of the grant,
20 that the agency considers to be of value to future re-
21 searchers or in the public interest.

22 “(f) SUBMISSION AND PUBLICATION OF GRANT SO-
23 LICITATION FORECAST ON THE GRANTS WEBSITE.—

24 “(1) REQUIREMENT.—Not later than November
25 30 of each year, the head of each Executive agency

1 shall post a forecast, in accordance with paragraph
2 (2), of all grant solicitations that the agency expects
3 to issue for the following calendar year. The forecast
4 shall be based on the best information available and
5 shall not be binding on the agency.

6 “(2) MATTERS INCLUDED.—The forecast shall
7 include, to the extent practicable, the following for
8 each expected grant solicitation in a machine read-
9 able format:

10 “(A) SUBJECT AND PURPOSE.—A brief de-
11 scription of the subject and purpose of the
12 grant, organized by the organizational unit of
13 the Executive agency.

14 “(B) POINT OF CONTACT.—Contact infor-
15 mation for the organizational unit or individual
16 responsible for the grant, if known, including
17 name, telephone number, and electronic mail
18 address.

19 “(C) NOTICE PUBLICATION DATE.—The
20 expected or actual dates for the issuance of the
21 grant solicitation and application and the grant
22 application submission deadline.

23 “(D) AWARD AMOUNT.—The estimated
24 amount of the average grant award, the esti-
25 mated maximum and minimum amounts of the

1 grant award, if applicable, and the estimated
2 total number of grant awards to be made.

3 “(E) TOTAL FUNDING.—A description of
4 the total amount available to be awarded.

5 “(g) PUBLICATION OF INFORMATION.—Nothing in
6 this section shall be construed as requiring the publication
7 of information otherwise exempt under section 552 of title
8 5, United States Code (popularly referred to as the ‘Free-
9 dom of Information Act’).

10 “(h) TRANSPARENCY OF INFORMATION.—To the ex-
11 tent practicable, the grants website maintained under this
12 section shall—

13 “(1) make the information described in this sec-
14 tion available in its original format;

15 “(2) make the information described in this sec-
16 tion available without charge, license, or registration
17 requirement;

18 “(3) permit the information described in this
19 section to be searched and aggregated;

20 “(4) permit the information described in this
21 section to be downloaded in bulk;

22 “(5) permit the information described in this
23 section to be disseminated via automatic electronic
24 means;

1 “(6) permit the information described in this
 2 section to be freely shared by the public, such as by
 3 social media;

4 “(7) use permanent uniform resource locators
 5 for the information described in this section; and

6 “(8) provide an opportunity for the public to
 7 provide input about the usefulness of the site and
 8 recommendations for improvements.

9 **“§ 7405. Debriefing**

10 “If requested by an applicant for a competitive grant,
 11 for each grant award made in an amount in excess of
 12 \$100,000 pursuant to a merit-based selection procedure,
 13 an Executive agency shall provide the applicant with a
 14 timely debriefing explaining the basis for the agency’s
 15 award decision, including, if applicable, the decision not
 16 to award a grant to the applicant.”.

17 (2) CLERICAL AMENDMENT.—The table of
 18 chapters at the beginning of subtitle V of title 31,
 19 United States Code, is amended by inserting after
 20 the item relating to chapter 73 the following new
 21 item:

“74. Grant Transparency Requirements 7401”.

22 (b) GUIDANCE FOR MERIT-BASED SELECTION PRO-
 23 CEDURES FOR GRANT PROGRAMS.—Not later than 60
 24 days after the date of the enactment of this Act, the Direc-
 25 tor of the Office of Management and Budget shall issue

1 and disseminate guidance to aid Executive agencies in es-
2 tablishing merit-based selection procedures for agency
3 grant programs, as required by section 7402(c) of title 31,
4 United States Code, as added by subsection (a).

5 (c) DEADLINE FOR MERIT-BASED SELECTION PRO-
6 CEDURES FOR GRANT PROGRAMS.—Not later than 180
7 days after the date of the enactment of this Act, each Ex-
8 ecutive agency shall carry out the requirement of section
9 7402(c) of such title, as so added.

10 (d) REPORT ON MERIT-BASED SELECTION PROCE-
11 DURES FOR GRANT PROGRAMS.—Not later than one year
12 after the date of the enactment of this Act, the Comp-
13 troller General of the United States shall submit to the
14 Committee on Oversight and Government Reform of the
15 House of Representatives and the Committee on Home-
16 land Security and Governmental Affairs of the Senate a
17 report on the guidance issued by the Director of the Office
18 of Management and Budget under subsection (b) and the
19 actions taken by Executive agencies to establish merit-
20 based selection procedures under subsection (c).

21 (e) EXECUTIVE AGENCY DEFINED.—In this section,
22 the term “Executive agency” has the meaning given that
23 term in section 105 of title 5, United States Code, except
24 the term does not include the Government Accountability
25 Office.

1 **SEC. 4. REPORT REQUIREMENTS RELATING TO GRANTS.**

2 (a) **UNDISBURSED GRANT FUNDING REPORT.**—

3 (1) **GUIDANCE.**—Not later than 90 days after
4 the date of the enactment of this Act, the Director
5 of the Office of Management and Budget shall issue
6 guidance to Executive agencies instructing each
7 agency to identify amounts of undisbursed grant
8 funding remaining in grant accounts for which the
9 period of availability to the grantee has expired and
10 report to the Office of Management and Budget on
11 the status and resolution of such funding.

12 (2) **REPORT REQUIREMENT.**—Not later than
13 180 days after the date of the enactment of this Act,
14 the Director shall submit to the Committee on Over-
15 sight and Government Reform of the House of Rep-
16 resentatives and the Committee on Homeland Secu-
17 rity and Governmental Affairs of the Senate a report
18 summarizing the information reported by Executive
19 agencies under subsection (a) and describing the ac-
20 tions the Director or Executive agencies plan to take
21 with respect to the undisbursed grant funding iden-
22 tified in the information so reported.

23 (b) **GRANTS WORKFORCE REPORT.**—

24 (1) **REPORT REQUIREMENT.**—Not later than
25 180 days after the date of the enactment of this Act,
26 the Comptroller General of the United States shall

1 submit to the Committee on Oversight and Govern-
2 ment Reform of the House of Representatives and
3 the Committee on Homeland Security and Govern-
4 mental Affairs of the Senate a report on the Federal
5 grants workforce.

6 (2) CONTENTS OF REPORT.—The report re-
7 quired under subsection (a) shall address—

8 (A) the size of the Federal grants work-
9 force and expected trends in Federal employ-
10 ment;

11 (B) adequacy of training opportunities for
12 the Federal grants workforce;

13 (C) whether the Federal Acquisition Insti-
14 tute or any other existing entity engaged in ac-
15 quisition workforce training should be made
16 available for grant training;

17 (D) whether a warrant system similar to
18 that used in the Federal acquisition system
19 should be established for Federal officials au-
20 thorized to award grants;

21 (E) the use by executive agencies of sus-
22 pension and debarment actions taken against
23 grantees during the three-year period preceding
24 the date of submission of the report, and the

1 level of agency resources assigned to the sus-
2 pension and debarment functions; and

3 (F) any recommendations for improving
4 the Federal grants workforce.

5 (c) DEFINITIONS.—In this section:

6 (1) EXECUTIVE AGENCY.—The term “Executive
7 agency” has the meaning given that term in section
8 105 of title 5, United States Code, except the term
9 does not include the Government Accountability Of-
10 fice.

11 (2) FEDERAL GRANTS WORKFORCE DEFINED.—
12 The term “Federal grants workforce”, with respect
13 to an Executive agency, means all employees of the
14 agency who spend some or all of their time engaged
15 in—

16 (A) grant planning;

17 (B) preparing grant solicitations, Notices
18 of Funding Availability, or other requests for
19 grant proposals;

20 (C) evaluating or reviewing grant applica-
21 tions, including serving on a peer review board;
22 or

23 (D) monitoring or administering grant per-
24 formance by grantees.

1 **SEC. 5. PLAN FOR IMPROVING THE SINGLE AUDIT PROC-**
2 **ESS.**

3 (a) PLAN FOR IMPROVING THE SINGLE AUDIT PROC-
4 ESS.—Not later than 180 days after the date of the enact-
5 ment of this Act, the Director of the Office of Manage-
6 ment and Budget shall submit to the Committee on Over-
7 sight and Government Reform of the House of Represent-
8 atives and the Committee on Homeland Security and Gov-
9 ernmental Affairs of the Senate a plan on improving the
10 single audit process required under chapter 75 of title 31,
11 United States Code, that includes each of the following
12 elements:

13 (1) A centralized Federal Government oversight
14 structure for the single audit process to monitor
15 Federal agency implementation of single audit re-
16 quirements under chapter 75 of title 31, United
17 States Code.

18 (2) Simplified alternative single audit require-
19 ments for non-Federal entities with expenditures for
20 smaller Federal awards.

21 (3) A proposal to shorten the single audit cycle,
22 including the time periods for completing the audit
23 and for Executive agency resolution of the audit.

24 (4) An identification of any necessary legislative
25 changes to implement any proposal under the plan.

1 (5) A description of key milestones for imple-
2 mentation and necessary steps to complete imple-
3 mentation.

4 (b) REPORT.—Not later than 180 days after the plan
5 is submitted under subsection (a), the Director of the Of-
6 fice of Management and Budget shall submit to the Com-
7 mittee on Oversight and Government Reform of the House
8 of Representatives and the Committee on Homeland Secu-
9 rity and Governmental Affairs of the Senate a report on
10 the implementation of each element of the plan.

11 (c) DEFINITIONS.—In this section:

12 (1) EXECUTIVE AGENCY.—The term “Executive
13 agency” has the meaning given that term in section
14 105 of title 5, United States Code, except the term
15 does not include the Government Accountability Of-
16 fice.

17 (2) NON-FEDERAL ENTITY.—The term “non-
18 Federal entity” has the meaning given that term
19 under section 7501 of title 31, United States Code.

20 (3) SINGLE AUDIT.—The term “single audit”
21 has the meaning provided by section 7501(a)(18) of
22 title 31, United States Code.

23 (4) SMALLER FEDERAL AWARD.—The term
24 “smaller Federal award” means a Federal award of
25 less than \$1,000,000 or such other amount specified

- 1 by the Director of the Office of Management and
- 2 Budget.

