Findings
and Recommendations

Connecticut's Efforts at Maximizing Federal Revenues

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Legislative Program Review
& Investigations Committee

CONNECTICUT GENERAL ASSEMBLY

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PRI Report Highlights

December 2012

Connecticut's Efforts at Maximizing Federal Revenues

Background

In April 2012, the program review committee authorized a study to assess the state's success at maximizing federal revenues. This study focuses on the federal revenues over which state government policies and programs have the most impact, federal grants.

Connecticut ranked 18th, slightly above average, among states in per capita federal grants funding received with over $8.3 billion in FFY 2010. Over $6 billion came to state government, with the remainder divided between local governments, higher education, and non-profits.

Federal grants are classified as one of two major categories, formula or project. Though there are fewer formula grants in number, they account for the majority of grant funding (80 percent). Almost all formula funding is sent to state governments, while project grant funding is more evenly divided between state governments, higher education, and non-profits.

The state received funding for nearly 800 of the over 1,700 federal grant programs. Of the approximately 900 programs for which the state did not receive funding, less than 700 included funding to state governments. Most grants for which Connecticut state government did not receive funding had relatively small total expenditures, with only about 100 of these grants receiving over $9 million nationwide. State government was ineligible for many of these 100 grants because of certain regional, geographic, or demographic eligibility requirements.

To complete this report, PRI staff reviewed the Consolidated Federal Funds Report and data from USASpending.gov, analyzed state agency survey results, and conducted interviews with key state agency personnel, other persons knowledgeable about the state's grants process, and grants personnel from other states.

Main Findings

The decentralized nature of state government structure around federal grants (identifying, applying for, and administering) is necessary given the differences in federal programs, eligibility, application and plan submissions, and reporting requirements. However, this structure has led to certain deficiencies, as discussed below.

Within the report, several best practices are listed for identifying and obtaining federal grants. These are listed below, in bold, along with the primary findings related to Connecticut's implementation.

A well-developed human infrastructure based on relationships in broad program areas is needed. This infrastructure should include one contact in each agency for federal funding. Connecticut state government temporarily created such a contact list in 2009, but does not have one in 2012.

Agencies must build relationships with federal agency counterparts and national and regional associations. These relationships are well-developed in some areas in Connecticut, while others need to be strengthened.

An overarching set of strategic policies driving a state's agenda is crucial to pursuit of grants. Connecticut does not have a state long-term plan or process that establishes overarching goals, priorities, and objectives, and this likely hampers efforts at revenue maximization.

Agencies need to be creative about how to leverage dollars from all sources. State agencies are not aggressively identifying all opportunities to leverage funding, but the Office of Policy and Management is currently working with a consultant to help agencies with these efforts.

PRI Recommendations

The primary recommendation is to **create a state Office for Maximizing Alternative Revenue, staffed by a person hired at the undersecretary level with recognized leadership abilities, knowledge of state agencies and community-based organizations, as well as high-level knowledge of program areas and funding streams**. The staff person should also have knowledge of the state's approval process for supporting federal grant applications.

Responsibilities of the office include: high-level tracking of the state's federal grants funding; consulting with the legislature; working with OPM and other state agencies to explore specific federal revenue maximization efforts; providing technical assistance to state agencies regarding grant writing; serving as the state's key federal grant contact with the governor's office and the state's Congressional delegation and their staff; and ensuring that the best practices for grants, listed above, are employed in state government.

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ACRONYMS USED IN REPORT

AASHTO	American Association of State Highway and Transportation Officials
ACF	Administration for Children and Families (federal)
ACA	Affordable Care Act
ADRC	Aging and Disability Resource Centers
ARRA	American Recovery and Reinvestment Act (2009) federal stimulus funds
CDBG	Community Development Block Grant
CFDA	Catalogue of Federal Domestic Assistance
CFFR	Consolidated Federal Funding Report
CHIPRA	Children's Health Insurance Program Reauthorization Act (just CHIP prior to 2009)
CMS	Centers for Medicare and Medicaid Services (federal)
CPAT	Commonwealth (Massachusetts) Performance, Accountability and Transparency office
CSG	Council of State Governments
CURE	Connecticut United for Research Excellence (an industry cluster in CT)
EDA	Economic Development Administration (federal)
FFIS	Federal Funds Information for States
FNS	Food and Nutrition Services (a division of U.S. Dept. of Agriculture
FRA	Federal Rail Administration
HHS	Health and Human Services (federal)
HUD	Housing and Urban Development (federal)
LIA	Low Income Adults (part of Medicaid covered population)
MOU	Memorandum of Understanding
GGO	Governor's Grants Office (Maryland)
NHHS	New Haven-Hartford-Springfield (high speed rail line)
NSF	National Science Foundation
NSLP	National School Lunch Program
OMAR	Office of Maximizing Alternative Revenue (PRI recommended office)
RTTT	Race-to-the-Top (federal education funding grants)
SNAP	Supplemental Nutrition Assistance Program (formerly food stamps)
SPOC	Single Point of Contact
SSTI	State Smart Transportation Initiative
TAA	Trade Adjustment Act
TANF	Temporary Assistance to Needy Families
TIFIA	Transportation Infrastructure Finance and Innovation Act (relatively new federal financing mechanism)
TIF	Teacher Incentive Fund (federal grant)
UI	Unemployment Insurance

Introduction

In late May 2012, the Legislative Program Review and Investigations Committee (PRI) voted to approve a study assessing how Connecticut fares in receiving federal funds, with a focus on state government efforts at securing federal grants. While optimizing federal funding has always been important to the state, Connecticut's current fiscal climate makes securing all available dollars a high priority. In the past, advocacy groups, legislators, and others have questioned whether Connecticut is "leaving federal dollars on the table". The study was to examine whether that is the case, and what opportunities might exist to increase the share of federal funding coming to the state.

The federal funding information for FFY 10 shows that Connecticut received $7.7 billion in grants to state and local governments, which placed it 18th among all states on a per capita basis. The study also examined Connecticut's success in light of what our expected share might be given Connecticut's proportion of the national population (1.16 percent). The results are presented in several different ways in the the first two sections of the report, and overall they show that Connecticut meets or exceeds its expected share in most cases. Of course, there are factors that can alter what a state receives, including whether a state generously funds a large program, like Medicaid, thereby increasing the amounts received from the federal government as reimbursements. Conversely, a state may choose not to fund a program generously, or decide not to implement a federal program at all, as is the case with a number of states not seeking Affordable Care Act funding.

As the report indicates, approximately 80 percent of grant funding goes to the states by way of formula grants, and those are based on a statutory or regulatory allocation, typically using factors such as population, wealth or income, and poverty levels. State government agencies and state policymakers can do little to affect the formulas or the factors on which they are based. However, the report does point out that the use of waivers can affect formula grants to a state's advantage and suggests that Connecticut should examine where the use of waivers could be expanded. Because formula grant amounts are so large, $5 to $6 billion annually, including for Medicaid, even relatively minor changes through waivers, could translate to large amounts.

Connecticut receives about 19 percent of federal funding through project grants, mostly awarded through a competitive process. From FFYs 2009-2011, Connecticut received funding for approximately 600 different project grants, about 40 percent of the 1,520 total project grants. The amounts received translated to 1.18 percent of the national total, just above the 1.16 percent expected share based on population. One of the issues in examining these results, however, is that there is no way to discern from the available data how many project grants Connecticut did not even apply for, or which ones we sought funding for, but were not successful, and which ones where the state was not eligible to apply.

To get a clearer picture of how Connecticut state government is organized to identify, seek, and secure federal grant funding, PRI staff distributed a survey to all state agencies. From the responses, committee staff determined that Connecticut has a decentralized system for

pursuing federal grants, but this is necessary given the differences in federal programs including their varied eligibility, application processes, and reporting requirements.

However, the decentralized system also fosters a fragmented approach where agencies operate in an insular fashion with minimal coordination or accountability. There is no ongoing oversight to ensure better collaboration or the networking and organizational connections needed to develop high quality funding requests.

As the study unfolded, and staff reviewed the literature and interviewed persons knowledgeable in the area, it became apparent that while the study focus was on federal grants, the relationships and collaborative organizational structures to be successful there were not unique to just federal grant activity but to other forms of alternative funding, like philanthropic organizations, and national foundations, as well. Thus, while analysis of funding results contained in the report is limited to just federal grants, in developing recommendations for organizational changes and proposed best practices committee staff recognizes they apply to pursuit of all forms of alternative revenues.

Methods. To develop the analysis in the report, committee staff relied heavily on two major sources of federal revenue, the Consolidated Federal Funds Report and the USASpending.gov. Further explanation on how these were used, and the data challenges they presented are outlined in Appendix A. Staff also consulted other federal sources such as the Catalogue of Federal Domestic Assistance, and grants.gov. In addition, staff used reports developed by the organization Federals Funds Information for States, National Association of State Budget Directors, the Council of State Governments and the National Conference of State Legislatures.

Committee staff also developed and electronically distributed a survey to 83 state agencies. PRI staff interviewed grants staff of the 10 state agencies that receive the largest amounts of federal funding were, as well as staff at a number of other agencies PRI staff identified as having achieved successful grant results in some way. In addition, staff met with grant writers and others knowledgeable in the area in and out of state government, and staff in grants offices in three other states, to identify what best practices are in the area. PRI staff identified areas where Connecticut agencies are implementing these practices and others where opportunities are being missed.

Report organization. The report contains four sections. The first is focused on federal grant types and nationwide funding. Section II analyzes Connecticut state government's experience in seeking and obtaining federal grants by types, program areas, and by federal funding agencies, and assesses the state's results in various areas. Section III describes the results of the state agency survey, and discusses findings about agency organization and structure. This section makes recommendations for improvement through the creation of an Office of Maximizing Alternative Revenues (OMAR) and outlines several functions it should perform to address system and organizational deficiencies. Section IV is a discussion of best practices, including where those activities might be implemented by agencies to improve the state's overall success at maximizing revenues.

Section I

Federal Grants

The federal government sends revenue to states for a variety of reasons. The payments are sent to the states as: 1) grants; 2) procurement contracts; and direct payments to individuals, such as 3) retirement and disability payments, 4) federal employee salaries and wages, and 5) other direct payments for programs such as Medicare. According to the Consolidated Federal Funds Report (CFFR)[1], the federal government sent a total of $3.3 trillion to states in federal fiscal year (FFY) 2010 of which approximately $56 billion was sent to Connecticut, placing the state the 4th highest per capita in overall federal funds nationally. This report focuses on the first category of federal aid to states, grants.

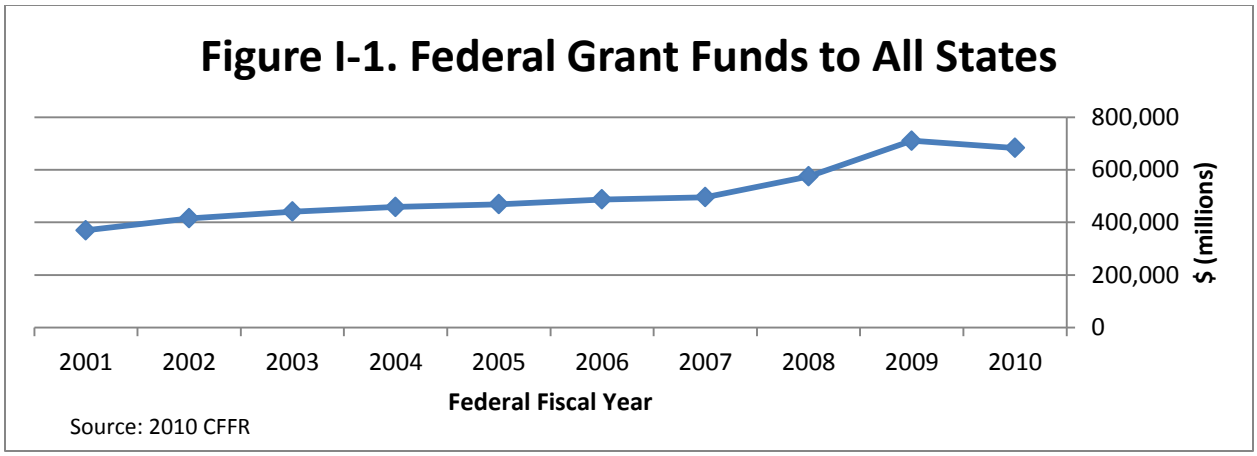
The program review committee approved a study of the state's efforts at federal revenue maximization. Whatever influence state government may have on either direct payment to individuals or federal government procurement contracts is limited and indirect (i.e., not the direct result of state government policies or state employee work). The study focuses on the category of federal grants as the federal funding area most likely to be impacted or influenced directly by Connecticut state government's policies and practices. Information on non-grant federal spending was presented as part of the June study update.

Many federal grants include a requirement that the grant recipient provide a portion of the program funding, though the portion of recipient-match commonly varies from zero (fully federally funded) to 50 percent or greater. These matching-fund requirements include provisions to prevent recipients from supplanting existing funding with federal monies. This study did not include an analysis of the amount of funding Connecticut provides to meet federal match requirements, nor did it examine, in detail, the types and sources of the recipient shares. However, analysis of federal grant funding opportunities make it clear that maximization of federal funds requires careful leveraging of all alternative revenue sources (i.e., not just state government funds).

The 2010 CFFR indicates that over $683 billion of grant money was sent to states by the federal government in 2010. Connecticut received approximately $8.3 billion in grant funding in that year, which was sent to state government, local government, non-profits, and public and private institutions of higher education. Detailed information on federal grants in Connecticut is presented later in this section and throughout Section II.

As seen in Figure I-1, federal grant funds increased steadily from $370 billion in FFY 2001 to $496 billion in FFY 2007, before rising sharply in FFY 2008 ($574 billion) and FFY 2009 ($710 billion) and then falling slightly as federal stimulus monies began to run out.

[1] The CFFR was a report produced by the United States Census Bureau on overall federal fund expenditures to states. More information on the CFFR is available in Appendix A.



The CFFR was considered the most accurate source of federal spending data, but was discontinued after FFY 2010. USASpending.gov, another source of information on federal grant expenditures, includes more recent data and provided a greater level of detail on grant recipients than the CFFR data.[2] However, the USAspending.gov funding totals nationwide are lower than in comparable years of CFFR data, suggesting the USAspending.gov data may be under-reported or incomplete. While some data is available for the federal fiscal year that ended on September 30, 2012, much of the FFY 2012 data was too incomplete to be comparable.

While the remainder of the report generally relies three years of grant funding data, this time frame may be too short to establish long-term trends. The overall validity of the time frame can be further questioned as several major factors, largely specific to this time frame, are in play, including: the influx of federal stimulus and recovery funding (i.e., ARRA), on-going nationwide economic concerns, changes in Connecticut's executive branch administration, and current federal efforts to address federal fiscal policy. More information on data sources and limitations is provided in Appendix A.

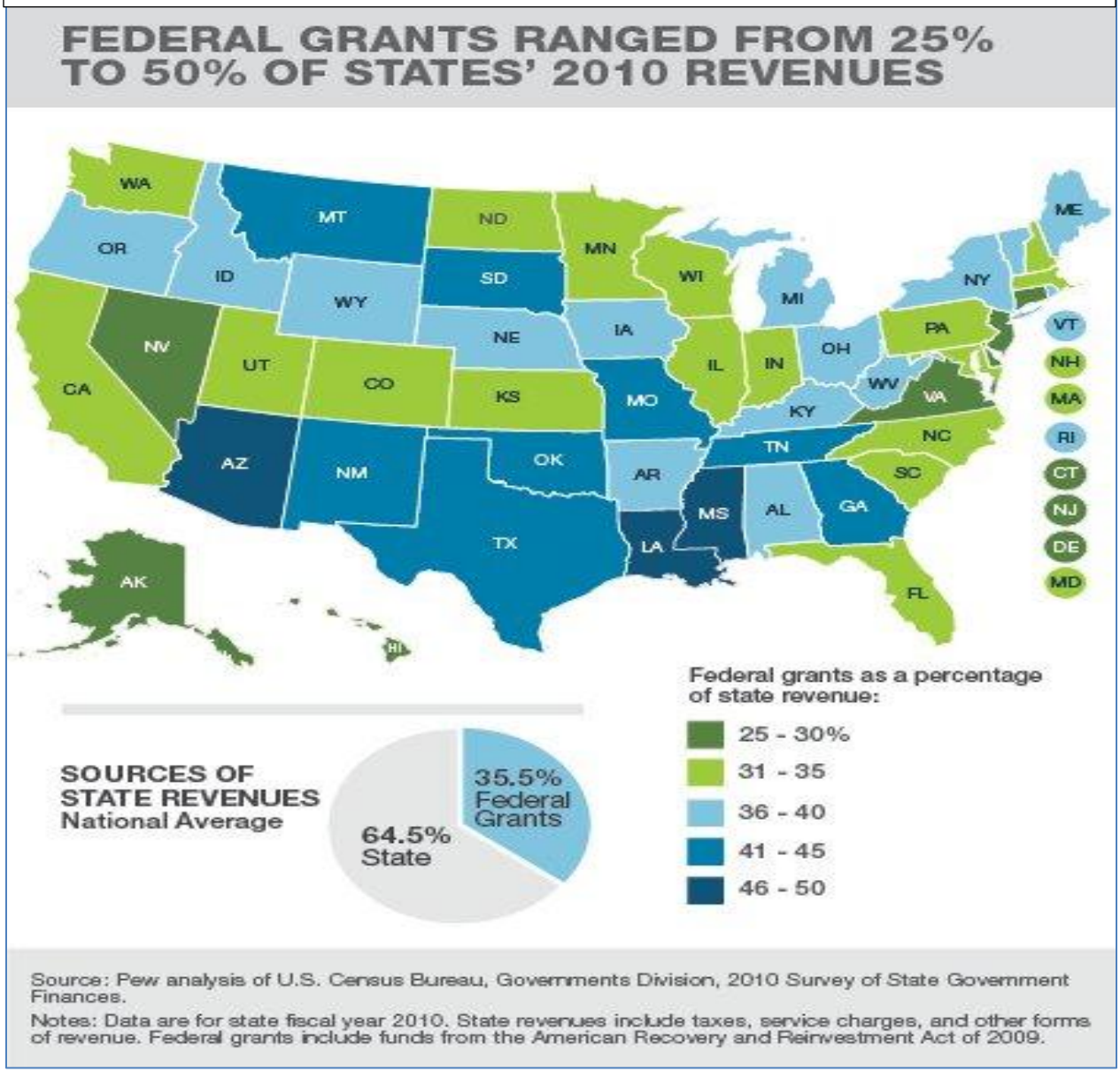
Federal grant recipients. Approximately 80 percent of federal grant funds are awarded to state governments (excluding state-owned institutions of higher education), with another five percent going to local government and seven percent going to higher education institutions (state- affiliated or private). From FFY 2009 through FFY 2011, the share of federal funds to state governments within individual states runs from 62 percent to 90 percent - Connecticut's share is roughly equal to the national average of 80 percent.

State government dependence on federal grants. State government dependence on federal grant funding is based on the ratio of federal grant revenues received to all other revnues received (i.e., how much of a state government's budget is funded by federal grants). Connecticut is one of the lesser-dependent states in terms of percentage of federal grant revenues within the state budget. According to a Pew analysis[3], shown in the map in Figure I-2, Connecticut is one of

[2] USASpending.gov is the source of most current federal expenditure data. Issues around its data accuracy and use are described in Appendix A.
[3]Pew analysis of the U.S. Census Bureau 2010 Survey of State Government Finances
http://www.pewstates.org/research/data-visualizations/fiscal-federalism-by-the-numbers-85899427055

just a few states with a state budget that includes less than one-third federal funds. This suggests that the state is less susceptible to changes in federal grant funding amount or policies, but it also shows the extent to which every state is dependent on increasingly scarce federal dollars.

Figure I-2. State government budget dependence on federal grants.



Federal grants can also impact a state well beyond the federal revenues listed in the state budget. In Connecticut, $4 billion of federal revenues is included in the state's budget[4], but another $2-3 billion of federal dollars comes through the state before being passed on to other recipients (e.g., local government, non-profits, individuals). This is in addition to the roughly $2 billion that is sent directly to non-state government grant recipients. Persons interviewed for this

[4] More information on the federal grant information listed in Connecticut's state budget is provided in Appendix A

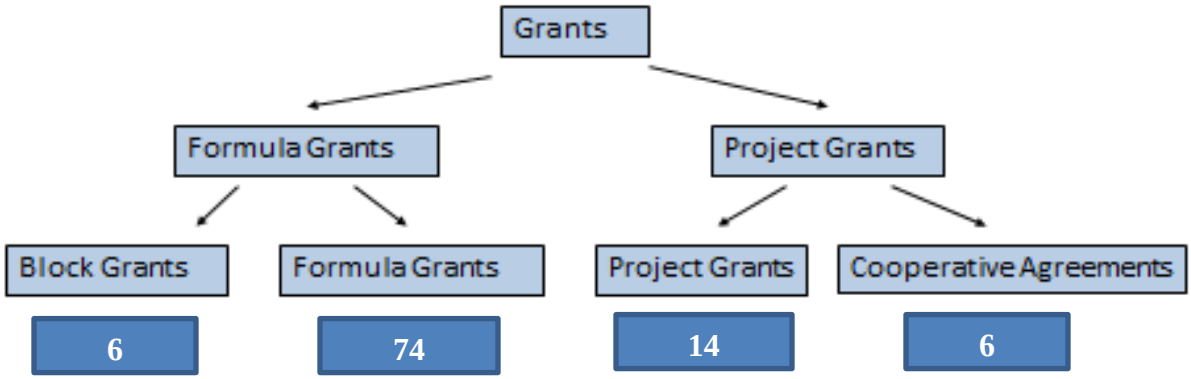
study agreed that money from the federal government coming into the state was generally a good thing, regardless of the recipient. As such, any constraint to the availability of federal grant funds is likely to harm the state.

Types of Federal Grants

Growth in federal grants to the states has produced a complex funding system that presents an almost endless array of formulas, application processes, and administrative and reporting requirements imposed on grant recipients to receive funds. These requirements are not consistent, but depend on the type of grant, the granting (or funding) agency, and the federal statutes or regulations that authorize the grant. While even definitions that differentiate types of grants can be confusing, the federal government uses two major classifications for grants to states: formula and project, as shown in Figure I-3.

Formula grants are typically sent to states annually based on the population meeting certain demographic criteria. Project grants typically are competitively awarded, and are usually for a limited duration. In federal grant reporting nomenclature, the two major types of grants are further classified. The larger formula group is divided into formula grants, which includes mandatory spending on entitlement programs, and block grants. The project group includes both project grants and cooperative agreements. Most grants are clearly classified and funded as one of the four minor types, but a small number of grants are cross-listed as two different grant types. This study uses the major grant type designation, formula and project, unless otherwise stated.

Figure I-3. Federal Grant Types and Funding Distribution



Sources: Classifications - CFFR Introduction; Distribution of funding amounts -

Figure I-3 also shows the percentage allocation of dollars for the four types of grants for FFY 2011. Funding for formula grants is the largest of the four types, accounting for roughly three-quarters of all federal grant funding. Project grants are the next largest, representing 14 percent of grant funding. Block grants and cooperative agreements are a relatively small part of total federal grant funding, each type representing around six percent.

Formula Grants. Formula grants are, as the name suggests, allocated based on funding formulas followed by federal granting agencies. Generally, formula funds are distributed based on demographic information (e.g., state population, population density, number of children or elderly in a state), income and povery levels, and often a combination of these factors. Each formula grant has an overall pool amount set by the federal granting agency, then allocated to each state based on the formula. While there is often uncertainty as to the overall amount of the federal formula grant pool, the funds historically tend to remain relatively stable.

These formulas determine not only a state's share of dollars, but also the level of matching funds a state must contribute towards a program to receive a full federal share. Many formula funds are given as reimbursements, where the state (or other recipient) pays the full cost of a program upfront before receiving the federal match reimbursement. This means the amount of federal funding received varies by the applicable costs incurred by the state. Changes in

formula funding may happen for a number of reasons, including changes in population demographics, population income, or eligibility criteria.

Entitlements. Some formula grants are commonly referred to as entitlements. These are programs for which there is a federal guarantee for provision of benefit or service, often called "mandatory spending" at the federal level.[5] Enrollment in entitlement programs is not limited by funding levels, but rather by eligibility thresholds (e.g., income limits are one eligibility requirement for Medicaid). Like all other grants, states may or may not face a matching funds requirement for entitlement programs.

Block grants. Another formula grant subtype is the block grant. Block grants are typically given for a particular subject area rather than for specific projects or programs. However, block grants are subject to recipient-specific implementation plans, typically prepared by relevant state agencies, that fund specific programs. These monies can be used to fund a number of different programs with slightly greater flexibility than other formula grants. Unlike other formula grants, the amount received under block funding is unlikely to change based on a state's changes in eligibility criteria - a recipient can change how the block funding is distributed, but not necessarily the amount of the base block grant.

There are also formula grants that fall outside of the classification of either entitlements or block grants, most notably some highway planning and construction grants.

Formula grant amounts and examples. From FFYs 2009 - 2011, there were 173 distinct formula grants that accounted for $1.4 trillion nationally ($472 billion per year on average for those three years). This equates to roughly $2.7 billion per individual formula grant per year - much greater than the roughly $83 million per individual project grant per year. Of the 173 formula grants, 22 are block grants. The 10 largest formula or block grants from FFYs 2009-2011 are listed in Table I-1.

[5] Federal entitlement programs are not limited to grants, as the largest entitlement programs (i.e., Social Security and Medicare) are considered direct payments and thus are not under the purview of this study.

Table I-1. Top Federal Formula Grants by Total Federal Expenditure (FFYs 2009-2011)					
PROGID*	Program Title	Type	US Annual Avg.	CT Annual Avg.	CT %**
93.778	Medical Assistance Program	Formula	$261,381,528,782	$3,424,701,688	1.31%
20.205	Highway Planning and Construction	Formula	$45,821,961,553	$604,196,250	1.32%
93.558	Temporary Assistance for Needy Families	Block	$17,213,984,265	$266,788,107	1.55%
84.394	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Formula	$13,243,586,859	$147,750,618	1.12%
10.555	National School Lunch Program	Formula	$10,354,017,276	$66,399,057	0.64%
93.767	Children's Health Insurance Program	Formula	$9,962,585,679	$22,782,216	0.23%
84.027	Special Education_Grants to States	Formula	$8,580,238,465	$98,785,831	1.15%
84.010	Title I Grants to Local Educational Agencies	Formula	$7,230,271,968	$58,282,166	0.81%
20.507	Federal Transit_Formula Grants	Formula	$5,868,264,639	$105,621,928	1.80%
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Formula	$5,268,884,250	$35,680,984	0.68%

*PROGID is the program identification number from the Catalogue of Federal Domestic Assistance (CFDA). The CFDA provides detailed program information. The CFDA program identification number is provided in many tables throughout this report so that more information about specific grant programs can easily be found in the CFDA.
** CT % is the percentage of total federal grant funds, per grant program, that was received by Connecticut.
Source: PRI analysis of USASpending.gov data

The Medical Assistance Program (i.e., Medicaid), a formula grant, is the single largest federal grant of any type, accounting for over two-fifths (42.5 percent) of all federal grant funds. The second largest grant is the Highway Planning and Construction (HCP) program (7.5 percent of all grant funds) - no single program other than Medicaid or HCP accounts for more than three percent of federal grant funds.

Project Grants. Project grants are defined as "the funding, for fixed or known periods, of specific projects or the delivery of specific services or products without liability for damages for failure to perform. Project grants include fellowships, scholarships, research grants, training grants, traineeships, experimental and demonstration grants, evaluation grants, planning grants, technical assistance grants, survey grants, and construction grants."[6] From FFYs 2009 - 2011, there were 1,520 different federally funded project grants at $126 billion annually.

Project grants include a specific application process, which is typically, but not always, competitive in nature. Depending on the individual grant, there may be a preference for funding just those grant applications that scored the highest or in dividing a fixed pool of available funding among all those applications who reached a certain threshold. The number of grant awards may also be limited within a geographic region, or a grant may only be available to applicants in a particular geographic area.

Cooperative agreements. The broad category of project grants includes a subset of grants classified as cooperative agreements (see Figure I-3, page 6). These are a particular type of grant wherein there is a more formal partnership between the grant recipient and the federal granting

[6] Consolidated Federal Funds Report for Fiscal Year 2010, page xi.

agency. A cooperative agreement is "distinguished from a grant in that it provides for substantial involvement between the federal agency and the recipient in carrying out the activity contemplated by the award."[7]

Cooperative agreements account for over 400 of the 1,520 different project grants. These 400 cooperative agreements received over $16 billion annually from FFYs 2009 - 2011, accounting for approximately six percent of all federal grant funding, or 13 percent of project grant funding.

There are another 160 programs with funding listed as both cooperative agreements and project grants, varying by recipient and by federal granting agency. These dual-listed programs accounted for roughly $73 billion. It is somewhat unclear whether funding for these programs are sometimes listed as cooperative agreements and other times as project grants because specific programs fall into both subtypes, or if this dual distinction is due to clerical error when inputting the data to USASpending.gov.

Earmarks. Historically, a small percentage (less than 1 percent of the federal budget) of overall federal funding was sent to states via earmarks. This funding typically came about when a provision was inserted in federal legislation that would allocate funds or a tax benefit to a specific project, program, or organization, circumventing a merit- or formula-based allocation, or competitively awarded process. Since 2010, there has been a self-imposed moratorium on earmarks in Congress that continues through federal fiscal year 2013. These funds, when available, were not always tracked in the same way as grants, so it is difficult to say what Connecticut may have received by way of earmarks. It is possible that, in the absence of earmark availability, some Congressionally-driven project grants are being written narrowly to ensure that funding is available only for a particular project.

Project grant amounts and examples. From FFYs 2009 - 2011, there were 1,520 funded project grants[8] that accounted for $126 billion annually. This equates to roughly $83 million per individual project grant per year - far less than the per-grant average of formula grants. The top ten project grants by total federal expenditure are listed in Table I-2. Only six of the top 30 overall federal grants are project grants (the other 24 are formula grants).

[7] Grants.gov Glossary - http://www.grants.gov/help/glossary.jsp#c
[8] Based on CFDA program numbers - the number of individual grants within these programs numbers are much higher.

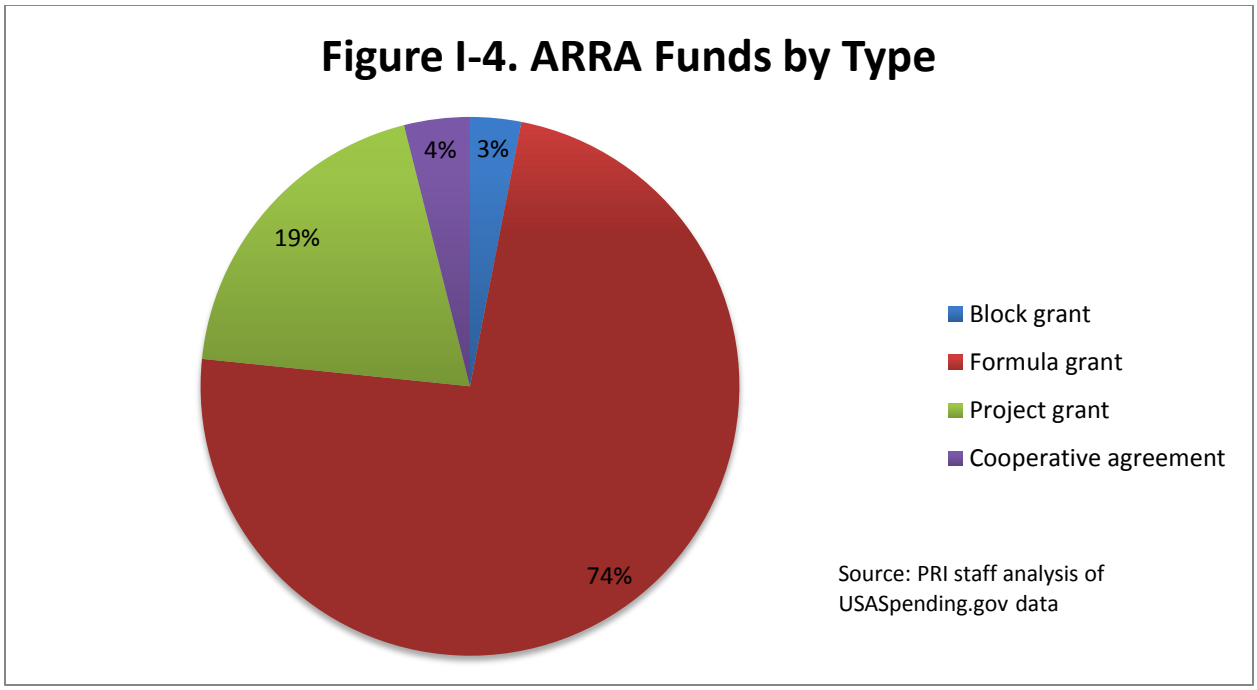
Table I-2. Top Federal Project Grants by Total Federal Expenditure (FFYs 2009-2011)				
PROGID	Program Title	US Annual Avg.	CT Annual Avg.	CT %
93.600	Head Start	$7,570,455,068	$57,306,366	0.76%
98.001	USAID Foreign Assistance for Programs Overseas	$7,440,813,116	$66,730,937	0.90%
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	$4,089,345,451	$7,095,759	0.17%
20.106	Airport Improvement Program	$3,712,534,993	$21,756,939	0.59%
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service Â¿ Capital Assistance Grants	$2,918,628,914	$23,333,333	0.80%
93.701	Trans-NIH Recovery Act Research Support	$2,727,259,600	$58,624,517	2.15%
66.458	Capitalization Grants for Clean Water State Revolving Funds	$2,693,578,122	$27,097,267	1.01%
93.855	Allergy, Immunology and Transplantation Research	$2,630,104,821	$47,726,411	1.81%
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primar	$2,062,841,781	$25,344,481	1.23%
93.859	Biomedical Research and Research Training	$1,878,924,492	$34,453,770	1.83%
Source: PRI analysis of USASpending.gov data				

State Rankings. Per capita federal grant funding, and the state rankings associated with it, appears to be relatively stable. From year to year, over half of states' rankings either did not change or moved less than three places. On the rare instance a state moved more than 10 rankings, it was typically moving from well below average to nearer average, with the top and bottom states remaining very stable from year to year. Much of this immobility of rankings may be inherent in the type of grants awarded.

This relative stability of state rankings likely reflects, in part, the overwhelming percentage of federal grant funding from formula grants. These grants are based on variables that are slow moving, such as overall population changes or relative wealth of states, or on geographical features that tend to change very infrequently if ever.

Most project grants have a three- to five-year expenditure time frame, or longer, and, as discussed in Section IV, major statewide changes, especially positive ones, take time to develop. It may take years of cultivating a different culture or outlook towards grants to see sustained improvement in application success rate. Even then, it is possible a state will improve its grant system by better targeting grants that meet strategic goals instead of going after, and receiving, greater amounts of grant funding.

American Recovery and Reinvestment Act. It is important to consider the temporary boost to federal grant funding made available through the 2009 American Recovery and Reinvestment Act (ARRA). The ARRA funding, known as stimulus or recovery funding, began in 2009 with $144 billion in grants to states, followed by $90 billion in 2010 and $28 billion in 2011, for a total of $262 billion over those three years. The biggest ARRA-based boost to formula grants came in 2009, while ARRA project grants peaked in 2010. Overall, ARRA grant funding type is very similar to the normal division of federal grant funding, with the most funds in formula grants, as seen in Figure I-4.



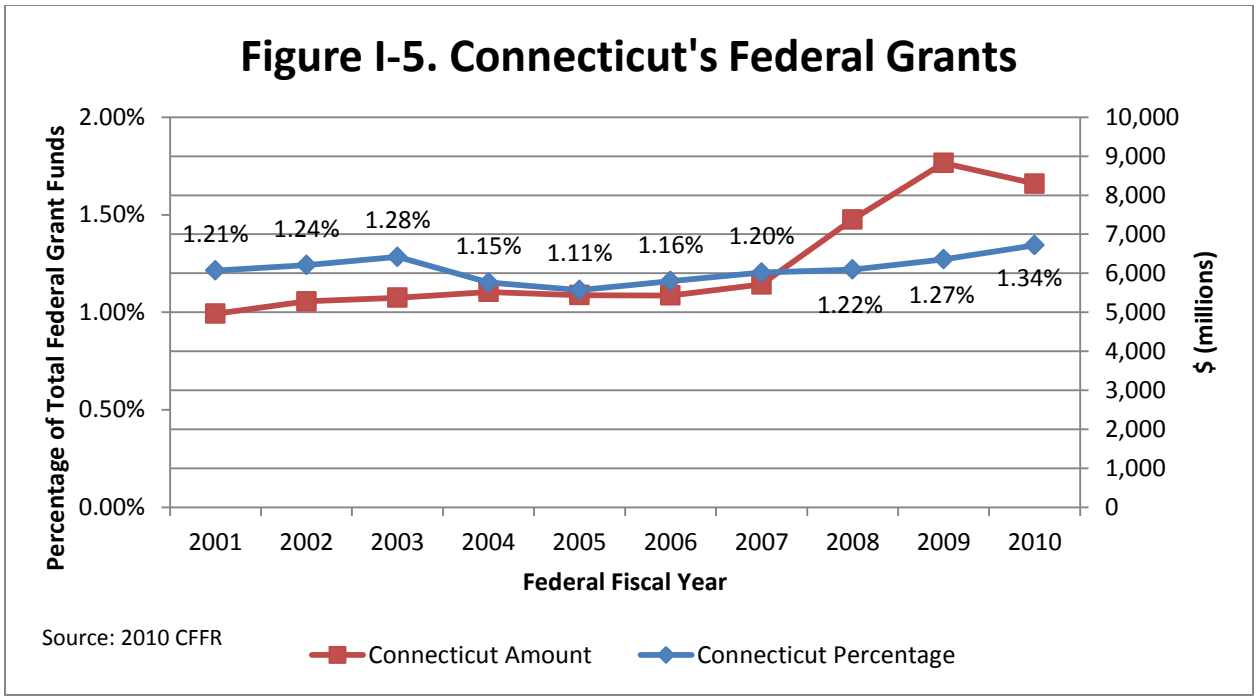
Connecticut

Per the 2010 census, Connecticut is the 29th most populous state. According to USASpending.gov, Connecticut ranked 30th in total federal grant funding among the 50 states and the District of Columbia from FFYs 2009 - 2011, though this ranking ignores the population distribution among states.

One way to determine if Connecticut is getting a "fair share" of federal grant dollars is to compare the state's percentage of the nation's population to the state's share of federal grant funds. Connecticut is home to 1.16 percent of the United States population[9] and received 1.22 percent of all federal grant funding from FFYs 2009 - 2011, slightly above a simple population-based distribution. Figure I-5 shows Connecticut's total federal grant funding amount and the state's percentage of nationwide federal grant funding received over a ten-year period.

While Connecticut's grant funding increased sharply in FFYs 2008 and 2009, this increase mirrors the increase in availability of funding nationwide. The state's percentage of nationwide federal funding has also increased, but has done so more slowly than the increase in total amount. According to the 2010 CFFR, Connecticut ranked 18th in per capita federal grants.

[9] 2010 Census



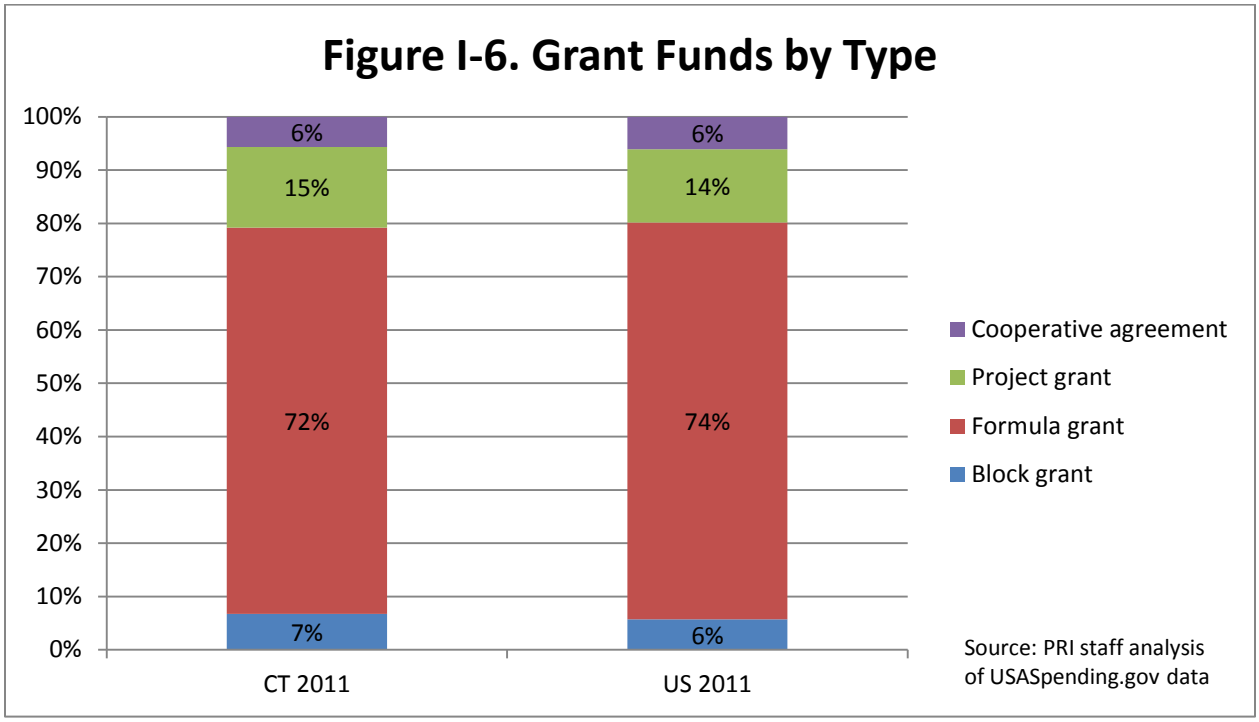
Generally, a per capita comparison of funds, or the similar comparison of Connecticut's percentage of federal funds to its percentage of the population, will provide a baseline measurement for how well the state does in maximizing federal grant revenues relative to other states and available funds. Both per capita rank among states and a comparison to Connecticut's share of population are used throughout the study as benchmarks.

However, comparing Connecticut's share of federal grant funding to its population share has several limitations. First, the population-based expectation of 1.16 percent represents an average share of federal funding. The 1.16 percent figure is used to put grant funding information in perspective, but it is not an adequate goal since Connecticut is currently slightly above average in per capita grant funding ranking and looking to improve its relative position. Second, population distribution is not always considered by grant-distribution formulas or in competitive grant scoring processes, and, thus, comparing distribution of funds to the population distribution may not be informative or appropriate. Third, when grant funds are not distributed to every state, then the population eligible for those funds, and Connecticut's share of that population, will vary.

Nevertheless, comparing Connecticut's share of federal grant funds to the state's share of the national population provides a relative perspective that would otherwise be difficult to establish with funding levels that vary by grant or grant type from thousands to billions of dollars.

Connecticut's Federal Grant Types. The federal funds being sent to Connecticut are generally divided by type in much the same way as occurs nationally, with the majority of funds coming as formula dollars, followed by project grants. This similarity is shown in Figure I-6, which displays both Connecticut's distribution of federal grants and the overall federal

distribution. This suggests Connecticut does not have a noticeable deficiency or strength in securing funding for any particular grant type.



Income. Connecticut routinely ranks among the highest states in per capita income. Comparing Connecticut's share of federal grant funds to other high income states can help determine if relative wealth is a boon or a burden on federal revenue streams. Table I-3 compares the per capita grant rankings of the states with the highest per capita income rates as of 2010.

Table I-3. FFYs 2009 - 2011 average annual per capita values

State	2010 per capita income	Rank	All grant types	Rank	Formula	Rank	Project	Rank
Connecticut	$56,001	1	$2,093	18	$1,618	21	$476	20
Massachusetts	$51,552	2	$2,664	8	$1,669	17	$995	2
New Jersey	$50,781	3	$1,603	44	$1,356	37	$248	49
Maryland	$49,025	4	$2,185	16	$1,340	40	$845	5
New York	$48,821	5	$2,899	4	$2,399	3	$500	17
Wyoming	$47,851	6	$2,329	14	$1,716	14	$613	11
Virginia	$44,762	7	$1,434	48	$1,003	48	$431	25
National	$40,584	--	$2,462		$1,712		$510	

For per capita amounts, darker shading shows the highest values and no shading shows the lowest values

Source: Income level - 2010 Census ; funding levels - PRI staff analysis of USASpending.gov data

While it might be expected that states with relatively-high per capita incomes would receive lower levels of federal grant funding, Table I-3 does not seem to provide evidence of this within per capita grant funding. Connecticut is at the top of per capita income measures, but it ranked 18th in total per capita grants from FFYs 2009 - 2011, a similar, slightly above-average ranking as both Maryland and Wyoming. Two high income states, New York and Massachusetts, both ranked among the top 10 for per capita grant funding, while two other high income states, New Jersey and Virginia, ranked among the 10 states with the least per capita federal grants.

Table I-3 also shows that Connecticut ranks just above average in both formula and project grants, each with very similar rankings. Most states appear to have greater variation between rankings by grant type, suggesting either particular strengths and weaknesses or directed policy focus on certain types of federal grants. Massachusestts, for example, is similar to Connecticut in formula and block grant funding, but very near the top in funding for project grants, while New York does very well in formula funding but is near the middle in project grants.

Besides looking at levels of relative wealth, it may also be informative to frame federal assistance in terms of poverty. As povery levels are commonly used as part of the calculation for formula grants, PRI staff analyzed the relationship between a state's receipt of federal grant dollars and its population with income at or below the federal poverty level (FPL), which is currently $23,050 for a family of four.

According to 2009 U.S. Census data, 9.4 percent of Connecticut's population was individuals with incomes at or below the FPL, the fifth lowest percentage of all states behind New Hampshire, Alaska, Maryland, and New Jersey. Roughly 0.75 percent of all persons with income levels below the FPL live in Connecticut, much lower than the 1.16 percent of the overall United States population that lives in the state. If all federal grants were distributed simply on the basis of state poverty levels, Connecticut would have received only $4.6 billion annually for FFYs 2009 - 2011, rather than the $7.5 billion it received.

There are several reasons to expect the state's federal funding levels to outpace its relative poverty rate. First, some programs, including most transportation grants, do not broadly consider poverty rates when allocating funding. Second, wealthy states have a greater ability to invest in programs with federal matching requirements than less wealthy states. Though Connecticut receives the lowest federal percentage match (50 percent) for Medicaid expenditures, the state's expenditures for Medicaid are high enough to boost its relative ranking. Third, a federal program may distribute funds with a cap, a floor, or both per state or per applicant to ensure each state gets enough funding to implement the federal program.

Connecticut's formula grants. For FFYs 2009 - 2011, Connecticut received funding for 140 of the 173 federally funded formula grants (81 percent by number of grants). The state received 1.23 percent for the nationwide formula grant expenditure during this time frame, slightly higher than the population-based expectation. Formula funding goes almost exclusively to state government, with Connecticut's state government receiving over 97 percent of the state's formula funding. *The program review committee finds that because formula funding also represents such a large piece of the state government budget, there is understandably a large*

amount of state resources invested in maintenance and administration of formula grants, which are steadier funding streams than project grants.

The top formula grant amounts received by Connecticut generally mirror the national expenditures on formula grants. Of the top formula grants to Connecitcut, seen in Table I-4, only the National School Lunch Program appears to be funded well below the level expected based on population. It is likely Connecticut receives less funding in the program because of the state's relative wealth and low poverty rate, and the program depends on the provider (e.g., school districts or other non-profits) and individuals to both opt-in to receive funding.

Table I-4. Top Federal Formula Grants by Connecticut Federal Expenditure (FFYs 2009-2011)

PROGID	Program Title	Type	US Annual Avg.	CT Annual Avg.	CT %
93.778	Medical Assistance Program	Formula	$261,381,528,782	$3,424,701,688	1.31%
20.205	Highway Planning and Construction	Formula	$45,821,961,553	$604,196,250	1.32%
93.558	Temporary Assistance for Needy Families	Block	$17,213,984,265	$266,788,107	1.55%
84.394	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Formula	$13,243,586,859	$147,750,618	1.12%
93.568	Low-Income Home Energy Assistance	Block	$4,894,140,586	$112,562,146	2.30%
20.507	Federal Transit_Formula Grants	Formula	$5,868,264,639	$105,621,928	1.80%
84.027	Special Education_Grants to States	Formula	$8,580,238,465	$98,785,831	1.15%
17.225	Unemployment Insurance	Formula	$3,683,062,674	$70,255,938	1.91%
10.555	National School Lunch Program	Formula	$10,354,017,276	$66,399,057	0.64%
93.658	Foster Care_Title IV-E	Formula	$4,489,864,138	$61,530,095	1.37%

Source: PRI analysis of USASpending.gov data

Connecticut's share of the Low-Income Home Energy Assistance Program (LIHEAP) is double the projected population value, likely due to the state's weather relative to all other states (i.e., a state with colder weather is likely to get a higher LIHEAP block grant). Connecticut also appears to do well in Federal Transit Formula Grants. Connecticut does relatively well in most of the formula grants with highest nationwide funding, but, as seen previously in Table I-1, the state receives relatively little of the Children's Health Insurance Program (CHIP). CHIP is designed to provide medical insurance for children who would otherwise not be eligible for Medicaid. Connecticut's low levels of CHIP funding are partially due to the state's Medicaid program already covers many children who would otherwise be CHIP-eligible. It is also possible the CHIP-eligible population is further decreased by state mandates for employer-provided health care.

Opportunities for additional revenue via formula funding. Taken on the whole, Connecticut receives more formula funding than would be expected based on population distribution alone (i.e., 1.23 percent of federal funds, rather than 1.16 percent). While the state does not receive funding for all formula grants, it does receive funding for the 44 formula grants with the highest nationwide federal funding levels.

Regarding maximization efforts, there are two main conflicting points to be made about formula grants: 1) much of Connecticut's funding level is fixed via population statistics by the formula, and, therefore, cannot be modified by the state's policies or efforts; and 2) in some instances, Connecticut has control over voluntary expansion of eligibility criteria, often through the use of waivers, which are likely to impact formula funding levels. In other words, while changes in Connecticut state government policies are unlikely to cause a dramatic change percentage change in most formula-based funds, these funds are so large, and such a vital piece of the state's budget, that a relatively small-percentage change can result in large amounts of increased (or decreased) funding.

Of the 33 formula grants that Connecticut did not receive funding for FFYs 2009 - FFY 2011, 15 formula grants included an annual Connecticut-expected total over $100,000, as shown in Table I-5. As this is a list of grants that Connecticut did not receive funding for, both Connecticut's average annual amount received and percentage of federal grant funds are zero and, therefore, are not shown in the table.

Table I-5.Federal Formula Grants without Connecticut expenditure* (FFYs 2009-2011)

PROGID	Program Title	US Annual Avg.	CT Expected Share
84.011	Migrant Education_State Grant Program	$ 383,716,583	$ 4,451,112
84.915	HOWARD UNIVERSITY	$ 157,506,134	$ 1,827,071
93.716	ARRA Temporary Assistance for Needy Families (TANF) Supplemental Grants	$ 106,483,409	$ 1,235,208
84.060	Indian Education_Grants to Local Educational Agencies	$ 97,870,486	$ 1,135,298
97.042	Emergency Management Performance Grants	$ 96,009,415	$ 1,113,709
15.426	Coastal Impact Assistance Program (CIAP)	$ 93,100,305	$ 1,079,964
84.910	GALLAUDET UNIVERSITY	$ 82,333,333	$ 955,067
84.403	Consolidated Grant to the Outlying Areas	$ 48,566,724	$ 563,374
84.908	NATIONAL TECHNICAL INSTITUTE FOR THE DEAF (NTID)	$ 44,216,333	$ 512,909
93.584	Refugee and Entrant Assistance_Targeted Assistance Grants	$ 43,390,490	$ 503,330
10.565	Commodity Supplemental Food Program	$ 36,879,236	$ 427,799
10.086	Aquaculture Grants Program (AGP)	$ 16,234,783	$ 188,323
84.906	VETERANS EDUCATION OUTREACH PROGRAM	$ 15,733,000	$ 182,503
93.090	Guardianship Assistance	$ 13,985,293	$ 162,229
84.404	Impact Aid -- School Construction Formula Grants, Recovery Act	$ 13,369,137	$ 155,082

Source: PRI analysis of USASpending.gov data

*List limited to formula grants with expected Connecticut share over $100,000

Three of these formula programs are funding for specific federally financed institutions of higher education, so it is unlikely that any state not currently receiving those funds will

ultimately receive them.[10] The listed Temporary Assistance to Needy Families (TANF) Supplemental Grant is no longer available, as it was an ARRA grant, but it is unlikely the state was eligible for these particular funds as the TANF Supplemental Grants program is targeted to states with high rates of population increase.

The remaining formula grants all warrant further attention to determine Connecticut's possible eligibility. A full list of these grants is provided in Appendix C.

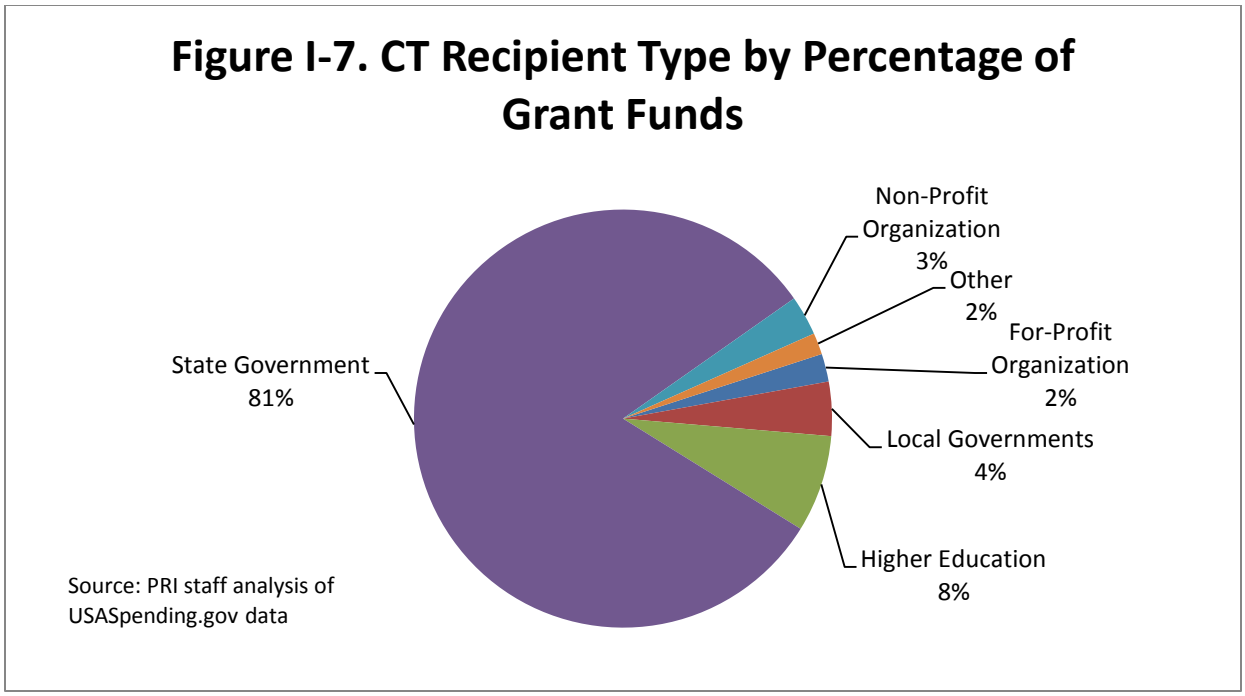
Connecticut's project grants. For FFYs 2009 - 2011, Connecticut received funding for approximately 600 different project grants - 40 percent, by number, of the 1,520 programs that were funded nationally. Connecticut received 1.18 percent of all federal project funding during this time frame, essentially meeting the population distribution benchmark of 1.16 percent. During this time frame, 80 different programs received total federal funding of $1 billion or more - Connecticut received funding in 77 of these 80 highest funded project grants. Similarly, Connecticut was funded for 39 of the top 40 highest funded project grants, with the lone exception being the "Race to the Top" education initiative, which Connecticut applied for unsuccessfully in two rounds of funding. Sections II will include more detailed examination, by subject area, of Connecticut's project grant performance.

Connecticut's ARRA grant funding. Connecticut received a total of roughly $3.1 billion in ARRA funding for FFYs 2009-2011. These funds are included as part of the overall grant funding for these years. As was the case with ARRA funding nationwide, Connecticut received most of its ARRA funding in FFY 2009 ($1.8 billion - 57 percent of Connecticut's ARRA funds), before receiving lesser amounts in FFY 2010 ($1.0 billion - 32 percent) and FFY 2011 ($336 million - 11 percent).

The distribution of ARRA funds by grant type is very similar to the overall distribution, with Connecticut receiving $2.4 billion for formula grants (79 percent of Connecticut's total) and $640 million for project grants (21 percent). Connecticut was ranked 25th among states in per capita ARRA funding overall, but there is a large discrepancy between the state's ranking for formula grants (13th) and project grants (32nd).

Connecticut's Federal Grant Recipients. Federal grants may be awarded to state and local governments and to state residents (i.e., individuals and non-governmental organizations). Eligible grant recipients are listed on grant application notices and may often include multiple possible recipients. A grant award may be divided between multiple state agencies, as happens with the Social Services Block Grant, parts of which are allocated to Departments of Social Services, Mental Health and Addiction Services, Developmental Services, and Public Health, among other state agencies. Also, while many of the largest grants have single CFDA program numbers, other program numbers include a multitude of individual grants and, potentially, multiple recipients. Figure I-7 shows the percentage of federal grant award funds going to each major recipient type in Connecticut from FFYs 2009-2011.

[10] Howard University, Gallaudet University, and the National Technical Institute for the Deaf (hosted by the Rochester Institute of Technology



Connecticut ranks 18th in per capita federal grants to state and local governments (the same per capita rank as all federal grants to states). Approximately $7.7 billion was sent to Connecticut's state and local governments, with a smaller amount sent to institutions of higher-education and non-profit organizations. Since the majority of federal grant funding is sent to state government and the study is focusing on where state government policies and procedures have the greatest impact on maximizing federal grant funding, Section II examines Connecticut's performance regarding federal grants sent to state governments.

Connecticut's project grant recipients. While state governments continue to receive the largest share of project grant funding (27 percent of all funds for FFYs 2009 - 2011), project grant recipients are also commonly higher education institutions, non-profit organizations, and local government. The distribution of grant funds by recipient type in Connecticut closely resembles the nationwide distribution, as seen in Table I-5.

Table I-5. Federal Project Grant Amounts and Distribution by Recipient Type (FFYs 2009-2011)					
Recipient Type	US Annual Avg. Project Grant $	% of Federal Project Funds to Recipient Type	CT Annual Avg. Project Grant $	CT % of Federal Project Funds to Recipient Type	CT % by Recipient Type
00: State government	$37,547,103,614	27%	$467,642,865	27%	1.25%
12: Other nonprofit	$25,604,135,499	18%	$213,069,725	13%	0.83%
06: State controlled institution of higher education	$22,974,677,474	17%	$92,077,997	5%	0.40%
25: All other	$12,396,331,857	9%	$125,417,074	7%	1.01%
20: Private higher education	$10,263,025,599	7%	$465,760,416	27%	4.54%
02: City or township government	$6,973,702,630	5%	$114,919,411	7%	1.65%
04: Special district government	$5,843,240,852	4%	$45,545,523	3%	0.78%
22: Profit organization	$5,180,060,590	4%	$68,967,460	4%	1.33%
01: County government	$4,501,314,265	3%	$460,876	0%	0.01%
23: Small business	$3,429,446,168	2%	$91,564,396	5%	2.67%
05: Independent school district	$2,220,173,291	2%	$12,535,199	1%	0.56%
11: Indian tribe	$1,602,539,253	1%	$1,078,937	0%	0.07%
21: Individual	$396,680,038	0%	$1,780,494	0%	0.45%
Unknown	$0	0%	-	-	-
Source: PRI analysis of USASpending.gov data					

Grants to institutions of higher education. Institutions of higher education play several important roles regarding acquisition of federal grants. These institutions, and/or their faculty, may be the direct recipients of research grants from a federal agency. Academics at these institutions are also commonly included as collaborative evaluators on grant applications - many project grants require independent evaluation of the efficacy of a funded demonstration grant. Though higher education receives nearly one-third of Connecticut's project grant funding, this figure only includes cases where an institution is the primary recipient, not when it is otherwise involved an evaluator.

Much of the project funding money sent to Connecticut goes to Yale University, which received approximately $450 million annually from FFY 2009 through FFY 2011. Yale accounted for over 80 percent of all federal grant funds brought to the institutions of higher education in Connecticut during this time frame, with the University of Connecticut (including the Health Center) accounting for another 15 percent (approximately $85 million annually).

Connecticut's public higher education system, in total, is at something of a disadvantage as other states may have several state-operated major research universities that can bring in a sizable amount of project grant funding. Further, while the funding that Yale University brings to the state is an asset to the state overall, Connecticut's other institutions are often in direct competition with Yale for federal grant funding. Table I-5 shows the discrepancy between the

Connecticut's distribution of federal grants funds to higher education compared to the national average.

Taken together, Connecticut's private and state-controlled higher education institutions received approximately 1.68 percent of total federal project funds sent to higher education institutions, well over the population-based expectation of 1.16 percent. The higher education institutions appear to do rather well in obtaining federal grant funds. The state agencies would be wise to further cultivate relationships with these important institutions in order to seek out joint-funding opportunities going forward.

Federal grants available to institutions of higher education are substantially different from those offered to other state agencies. These grant applications are highly competitive, peer reviewed, and often awarded based on the reputation of the individual researcher. An institution can seem to do very well with obtaining federal grants in a particular field because of the research of one particular faculty member. However, that funding is likely to follow if the researcher relocates to another university.

Section II

State Government Federal Grant Funding

States have long relied on federal grants to augment state budgets and to support a myriad of programs, including building and maintaining roads and other infrastructure, providing education and health services, conducting research, and protecting the environment and conserving natural resources. The federal government has made these grants available as a way to establish nationwide programs and test the worthiness of demonstration projects. A recent report by the Congressional Research Service stated that "the first federal cash grant program was adopted in 1808 to provide funds to states for support of the National Guard."[11]

In the more than two centuries since then, there has been tremendous growth in grants to the states from the federal government. Even measured in more recent terms, the growth in federal grant assistance to state and local governments has been dramatic, growing from less than $300 billion in FFY 1996 to more than $500 billion in FFY 2011.[12] This section will summarize federal funding sent to state government recipients, as these are the grants that Connecticut state government is most likely to control.

This section excludes grants received by state-affiliated institutions of higher education. As discussed in Section I, grants to higher education are substantially different from grants to other state agencies. Further, grant recipient classification information from the USASpending.gov data treats state government and higher education independently. Throughout this study, the term "state government" excludes state-affiliated institutions of higher education unless otherwise stated.

Federal Grant Funding Agencies

Federal grant funding comes from a large number of different federal agencies, which are often grouped into "super agencies" that cover a wide range of related responsibilities. Since more than two-fifths of all grant funding supports Medicaid, it follows that the majority of grant funding would come from the super agency with Medicaid authority, the Department of Health and Human Services (HHS). Table II-1 shows the 28 different super agencies that provided funding for grants with state government recipients. Included in the table are the annual averages (for FFYs 2009 - 2011) of federal expenditures to all state governments, Connecticut's state government, and the percentage of total federal grant funding to state governments that was received by Connecticut.[13]

[11] Congressional Research Service, Federal Grants-in-Aid Administration: A Primer, October 2012. p.1
[12] In constant FFY 2005 dollars
[13] The percentage of funds received in Connecticut can be compared to Connecticut's population percentage of 1.16 percent. Values over 1.16 percent can be said to exceed the population expectation.

Table II-1. Grant Funding to State Government Recipients by Super Agency (FFY 2009 - 2011)					
US Granting Super Agency		**US Annual Avg.**		**CT Annual Avg.**	**CT %**
HEALTH AND HUMAN SERVICES, DEPARTMENT OF	$	327,106,842,218	$	4,228,261,815	1.29%
EDUCATION, DEPARTMENT OF	$	51,397,770,673	$	517,627,526	1.01%
TRANSPORTATION, DEPARTMENT OF	$	50,640,472,774	$	785,147,493	1.55%
AGRICULTURE, DEPARTMENT OF	$	21,063,273,774	$	153,100,005	0.73%
LABOR, DEPARTMENT OF	$	8,826,337,630	$	128,667,304	1.46%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	$	7,054,405,759	$	70,080,742	0.99%
HOMELAND SECURITY, DEPARTMENT OF	$	5,873,621,939	$	10,779,441	0.18%
ENVIRONMENTAL PROTECTION AGENCY	$	5,705,138,209	$	61,151,077	1.07%
ENERGY, DEPARTMENT OF	$	3,730,850,616	$	43,622,225	1.17%
JUSTICE, DEPARTMENT OF	$	1,961,296,806	$	22,679,459	1.16%
DEPT OF DEFENSE	$	1,890,045,433	$	13,652,131	0.72%
COMMERCE, DEPARTMENT OF	$	874,499,565	$	35,585,100	4.07%
INTERIOR, DEPARTMENT OF THE	$	719,602,770	$	2,129,873	0.30%
VETERANS AFFAIRS, DEPARTMENT OF	$	424,298,355	$	5,725,592	1.35%
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	$	281,018,362	$	1,803,028	0.64%
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	$	168,792,972	$	2,195,914	1.30%
ELECTION ASSISTANCE COMMISSION	$	57,516,937	$	752,746	1.31%
NATIONAL ENDOWMENT FOR THE ARTS	$	53,000,924	$	909,467	1.72%
SMALL BUSINESS ADMINISTRATION	$	22,344,810	$	364,548	1.63%
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	$	12,404,100		-	0.00%
NATIONAL SCIENCE FOUNDATION	$	12,014,068	$	74,995	0.62%
DENALI COMMISSION	$	6,420,179		-	0.00%
APPALACHIAN REGIONAL COMMISSION	$	4,633,607		-	0.00%
STATE, DEPARTMENT OF	$	3,932,060		-	0.00%
SOCIAL SECURITY ADMINISTRATION	$	3,594,868	$	226,479	6.30%
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION	$	1,731,629	$	60,734	3.51%
AGENCY FOR INTERNATIONAL DEVELOPMENT	$	1,556,418		-	0.00%
NATIONAL ENDOWMENT FOR THE HUMANITIES	$	458,657		-	0.00%
Total	$	487,911,850,111	$	6,091,264,360	1.25%
Source: PRI analysis of USASpending.gov data					

Connecticut receives grant funding from 22 of the 28 super agencies, including the 19 with the largest grant expenditures. It is doubtful the state would be eligible for grants overseen by several of the agencies that do not currently provide grant funding to Connecticut state government (e.g., Denali Commission, Appalachian Regional Commission). Connecticut state government received approximately $6 billion annually from FFYs 2009 - 2011. Connecticut's share represents 1.25 percent of all federal funds sent to state governments, which is somewhat higher than the population-based expectation of 1.16 percent. During this time, Connecticut's per

capita grant funding sent to state government ranked 19th among the states - very close to the overall per capita rank of 18 for all grants (not just those sent to state governments).

Formula grants to state government. As is the case with overall federal grants, the majority of funding to state governments is through formula grants. Table II-2 mirrors the previous table, but is limited to formula grants only.

Table II-2.Formula Grant Funding to State Government Recipients by Super Agency (FFY 2009 - 2011)

US Granting Super Agency	US Formula Annual Avg.	CT Formula Annual Avg.	CT %
HEALTH AND HUMAN SERVICES, DEPARTMENT OF	$ 320,748,057,875	$ 4,134,435,969	1.29%
EDUCATION, DEPARTMENT OF	$ 49,121,740,032	$ 512,619,997	1.04%
TRANSPORTATION, DEPARTMENT OF	$ 42,364,575,897	$ 612,764,308	1.45%
AGRICULTURE, DEPARTMENT OF	$ 20,134,480,934	$ 146,811,921	0.73%
LABOR, DEPARTMENT OF	$ 7,688,461,604	$ 112,884,240	1.47%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	$ 6,306,783,145	$ 56,550,819	0.90%
ENERGY, DEPARTMENT OF	$ 3,228,138,089	$ 39,082,198	1.21%
VETERANS AFFAIRS, DEPARTMENT OF	$ 251,780,226	$ 3,738,971	1.49%
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANI	$ 168,792,972	$ 2,195,914	1.30%
INTERIOR, DEPARTMENT OF THE	$ 151,282,000	$ -	0.00%
HOMELAND SECURITY, DEPARTMENT OF	$ 118,923,877	$ 1,455,386	1.22%
ELECTION ASSISTANCE COMMISSION	$ 57,096,962	$ 676,080	1.18%
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	$ 21,748,863	$ 339,685	1.56%
COMMERCE, DEPARTMENT OF	$ 2,460,937	$ 66,009	2.68%
AGENCY FOR INTERNATIONAL DEVELOPMENT	$ 389,751	$ -	0.00%
SMALL BUSINESS ADMINISTRATION	$ 33,333	$ -	0.00%
ENVIRONMENTAL PROTECTION AGENCY	$ -	$ -	
JUSTICE, DEPARTMENT OF	$ -	$ -	
DEPT OF DEFENSE	$ -	$ -	
NATIONAL ENDOWMENT FOR THE ARTS	$ -	$ -	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	$ -	$ -	
NATIONAL SCIENCE FOUNDATION	$ -	$ -	
DENALI COMMISSION	$ -	$ -	
APPALACHIAN REGIONAL COMMISSION	$ -	$ -	
STATE, DEPARTMENT OF	$ -	$ -	
SOCIAL SECURITY ADMINISTRATION	$ -	$ -	
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION	$ -	$ -	
NATIONAL ENDOWMENT FOR THE HUMANITIES	$ -	$ -	
Total	$ 450,364,746,497	$ 5,623,621,496	1.25%

Source: PRI analysis of USASpending.gov data

Far fewer federal super agencies provide formula funding to state governments than provide grants overall. Only 16 of the 28 super agencies provided formula funding, with seven super agencies providing more than $1 trillion annually. Connecticut received funding from all of the top seven super agencies and 13 of the 16 providing formula funds overall. Connecticut's share of formula funds varies somewhat by the granting super agency. However, these variations generally mirror the overall state government numbers, as formula grants represent approximately 92 percent of all funds sent to state governments.

For several of the super agencies, there may be only a small number of formula grants available to state governments, so either not being eligible for a grant or doing particularly well may overstate the state's performance in that area (negatively or positively). For instance, the Department of the Interior funds only one formula grant to state government and that grant[14] limits eligibility to six named states - Connecticut is not eligible. As another example, the Election Assistance Commission funds only one formula grant to state governments which appears to be divided among states based largely on population distribution. Hence, Connecticut, and most other state governments, received an amount approximately equal to the population-based estimate, largely regardless of state policies or efforts.

Project grants to state government. There appears to be wide variation in Connecticut state government's ability to secure project grant funds by federal super agency. Table II-3 presents federal project spending sent to state government from FFYs 2009 - 2011.

Almost all of the super agencies (27 of 28) provided some amount of project grant funding in the three-year time period (FFYs 2009 - 2011), with 13 super agencies providing more than $1 billion. Connecticut received project grant funding from 21 of the super agencies. While the overall share of project funds is the same as the overall share of formula funds (1.25 percent of all state government funds), the share per super agency varies quite a bit.

As with formula funds, some of the deviation from the population-based expectation may be due to several factors. Some project grants are awarded in a similar manner to formula grants, where states get a specified allocation based on meeting particular criteria. This may be the case when grant programs are created to address certain regional or geographic issues (e.g., Connecticut receives over half the funding for the Long Island Sound Program grant).

Unlike most formula grants, project grants may be awarded to just a small number of states. If the state does particularly well or poorly, or is not eligible, for a single grant, the composite results vary wildly when there are just a few grant opportunities from a single super agency. For example, Connecticut state government received over four percent of the nationwide expenditure of project grant funds from the Department of Commerce, several times higher than the population-based expectation. The apparent success in this area comes almost exclusively from receiving over $94 million (over three years) in an ARRA grant aimed at expanding the state's broadband infrastructure.

[14] 15.426 - Coastal Impact Assistance Program

Table II-3. Grant Funding to State Government Recipients by Super Agency (FFY 2009 - 2011)			
US Granting Super Agency	US Project Annual Avg.	CT Project Annual Avg.	CT %
TRANSPORTATION, DEPARTMENT OF	$ 8,275,896,878	$ 172,383,185	2.08%
HEALTH AND HUMAN SERVICES, DEPARTMENT OF	$ 6,358,784,343	$ 93,825,846	1.48%
HOMELAND SECURITY, DEPARTMENT OF	$ 5,754,698,063	$ 9,324,055	0.16%
ENVIRONMENTAL PROTECTION AGENCY	$ 5,705,138,209	$ 61,151,077	1.07%
EDUCATION, DEPARTMENT OF	$ 2,276,030,641	$ 5,007,529	0.22%
JUSTICE, DEPARTMENT OF	$ 1,961,296,806	$ 22,679,459	1.16%
DEPT OF DEFENSE	$ 1,890,045,433	$ 13,652,131	0.72%
LABOR, DEPARTMENT OF	$ 1,137,876,025	$ 15,783,065	1.39%
AGRICULTURE, DEPARTMENT OF	$ 928,792,839	$ 6,288,084	0.68%
COMMERCE, DEPARTMENT OF	$ 872,038,628	$ 35,519,090	4.07%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	$ 747,622,614	$ 13,529,923	1.81%
INTERIOR, DEPARTMENT OF THE	$ 568,320,770	$ 2,129,873	0.37%
ENERGY, DEPARTMENT OF	$ 502,712,527	$ 4,540,026	0.90%
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	$ 259,269,499	$ 1,463,343	0.56%
VETERANS AFFAIRS, DEPARTMENT OF	$ 172,518,130	$ 1,986,621	1.15%
NATIONAL ENDOWMENT FOR THE ARTS	$ 53,000,924	$ 909,467	1.72%
SMALL BUSINESS ADMINISTRATION	$ 22,311,476	$ 364,548	1.63%
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	$ 12,404,100	-	0.00%
NATIONAL SCIENCE FOUNDATION	$ 12,014,068	$ 74,995	0.62%
DENALI COMMISSION	$ 6,420,179	-	0.00%
APPALACHIAN REGIONAL COMMISSION	$ 4,633,607	-	0.00%
STATE, DEPARTMENT OF	$ 3,932,060	-	0.00%
SOCIAL SECURITY ADMINISTRATION	$ 3,594,868	226,479	6.30%
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION	$ 1,731,629	60,734	3.51%
AGENCY FOR INTERNATIONAL DEVELOPMENT	$ 1,166,667	-	0.00%
NATIONAL ENDOWMENT FOR THE HUMANITIES	$ 458,657	-	0.00%
ELECTION ASSISTANCE COMMISSION	$ 419,976	$ 76,667	18.26%
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANI	$ -	-	
Total	$ 37,547,103,614	$ 467,642,865	1.25%
Source: PRI analysis of USASpending.gov data			

As discussed in Section I, if only a select number of state governments are awarded grants, then the expectation of distribution of funds changes from Connecticut's percentage of the entire United States population to Connecticut's percentage of population among awardees. That is, when looking at Connecticut's share of funds for selective project grants, one would expect Connecticut's share to either be higher than the simple population-based estimate or to be zero. This issue will likely be averaged out when looking at a large number of grants that Connecticut does or does not get, but the issue is magnified when looking at single grants or super agencies with a small number of grant awards.

The Social Sercurity Administration, Election Assistance Commission, and National Archives and Records Administration each funded only one or two grants. Connecticut state government received funding for most of these grants while several other states did not; therefore, Connecticut's share within each of these super agencies appears quite large. Connecticut state government received funding from the largest of eight programs funded under the National Science Foundation, but did not receive funding for any of the smaller seven programs, so the state's share appears quite low.

Conversely, Connecticut state government did not receive any project grant funding from six separate super agencies. However, the combined annual project grant expenditures from these agencies totaled just $29 million. Connecticut's population-based expectation of these funds would be less than $350,000 annually, if the state was eligible for a share of all funds offered, which is rather unlikely.

For grants for which Connecticut state government did not receive any funding, it was not generally possible to determine whether the grant was not funded because the state's application was not approved or because the state did not submit an application.[15] When evident, committee staff provide information about Connecticut state government eligibility for a specific grant. Also, when federal agencies provide grant funding to multiple state agencies, it is difficult to ascertain which state agency or agencies might have been eligible for grants that were not funded in Connecticut.

The remainder of this section summarizes the grants of broad program areas within federal super agencies and the Connecticut state agencies that receive those federal grants.

Health and Human Services

The largest federal super agency by nationwide grant expenditures to state governments is the Department of Health and Human Services (HHS), which accounts for over $327 billion in grant funding annually (67 percent of all funds sent to state governments). As mentioned previously, Medicaid represents over two-fifths of all federal grant funds to the state and over half (56 percent) of all federal grant funds to Connecticut state government. Indeed, Medicaid represents approximately 80 percent of all HHS grant funds. However, HHS remains the largest super agency, both nationally and in Connecticut, even if Medicaid is removed from consideration completely. Table II-4 shows the top ten grants from HHS by total federal funding to state governments. All ten grants are formula (or block) grants - only three of the top 25 HHS grants to state government are project grants.

[15] PRI staff surveyed state agencies and asked for unsuccessful grant application information. Many of the agencies with multiple grant awards were unable to provide information on unsuccessful applications, so survey results were inconclusive.

Table II-4. Health and Human Services - Top grants by Amount Sent to State Governments (FFYs 2009 - 2011)						
PROGID	Program Title	US State Gov $ Annual Avg.	CT State Gov $ Annual Avg.	CT State Gov %	CT State Agency*	Grant Type
93.778	MEDICAL ASSISTANCE PROGRAM	$ 261,393,765,923	$ 3,424,701,688	1.31%	DSS	FORMULA
93.558	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	$ 17,033,410,667	$ 266,788,107	1.57%	DSS	FORMULA
93.767	STATE CHILDREN'S INSURANCE PROGRAM (CHIP)	$ 9,938,691,867	$ 22,319,296	0.22%	DSS	FORMULA
93.596	CHILD CARE MANDATORY & MATCHING FUNDS OF THE CHILD CARE & DEV. FUND	$ 4,779,050,258	$ 51,336,395	1.07%	DSS	FORMULA
93.568	LOW INCOME HOME ENERGY ASSISTANCE	$ 4,666,748,391	$ 112,562,146	2.41%	DSS	FORMULA
93.658	FOSTER CARE TITLE IV E	$ 4,488,704,969	$ 61,530,095	1.37%	DCF	FORMULA
93.563	CHILD SUPPORT ENFORCEMENT	$ 3,332,425,409	$ 34,170,553	1.03%	DSS	FORMULA
93.659	ADOPTION ASSISTANCE	$ 2,376,222,869	$ 35,925,026	1.51%	DCF	FORMULA
93.667	SOCIAL SERVICES BLOCK GRANT	$ 1,828,147,251	$ 13,031,960	0.71%	DSS	FORMULA
93.959	BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	$ 1,696,675,284	$ 16,933,267	1.00%	DMHAS	FORMULA

*In cases where funds from a single program were sent to multiple CT state agencies, only the agency with the greatest funding level is listed

Source: PRI staff analysis of USASpending.gov data

Connecticut's health and human service grants. Connecticut does slightly better than the population estimate regarding Medicaid funding, which, because of its size, means that state government overall receives more money than the population estimate would suggest. Beyond Medicaid, Connecticut state government receives 1.22 percent of HHS grant funding, which is dominated by formula grant funding.

Seven different state agencies received funding over $1 million from HHS for FFYs 2009 - 2011: Department of Social Services (DSS), Department of Children and Families (DCF), Department of Public Health (DPH), Department of Mental Health and Addiction Services (DMHAS), Office of Policy and Management (OPM), Department of Developmental Services (DDS), and the State Department of Education (SDE).

HHS Project Grants. While HHS grants, in total, are easily the largest funded amount of grants, the federal super agency also had the second-highest total of state government project grant funds - behind the federal Department of Transportation (USDOT). Connecticut received funding for roughly 80 of the 270 HHS-funded state government project grants, or, in percent of dollars, 1.48 percent of all HHS state government project funding, well over the 1.16 percent population benchmark. As shown in Table II-5, Connecticut state government's top HHS grants include nine grants that were funded over $3 million annually, while roughly half of the 80 project grants received were over $300,000 per year, on average.

Table II-5. Health and Human Services - Top Project Grants by Amount sent to Connecticut State Government (FFY2009 - 2011)

PROGID	Program Title	US State Gov $ Annual Avg.	CT State Gov $ Annual Avg.	CT State Gov %	CT State Agency *	Grant Type
93.069	Public Health Emergency Preparedness	$ 1,050,667,261	$ 13,953,308	1.33%	DPH	PROJECT
93.283	CENTERS FOR DISEASE CONTROL & PREVENT-INVESTIGATIONS AND TECHNICAL ASSIST	$ 520,542,553	$ 9,781,323	1.88%	DPH	PROJECT
93.243	SUBSTANCE ABUSE & MENTAL HEALTH SERVICES PROJECTS OF NATIONAL SIGNIFICANCE	$ 188,971,418	$ 8,589,244	4.55%	DMHAS	PROJECT
93.791	MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	$ 208,271,298	$ 6,822,005	3.28%	DSS	PROJECT
93.940	HIV PREVENTION ACTIVITIES--HEALTH DEPARTMENT BASED	$ 250,441,654	$ 6,116,575	2.44%	DPH	PROJECT
93.768	MEDICAID INFRASTR GRANTS TO SUPPORT THE COMPETIT EMPLOY OF PEOPLE W/ DISA	$ 62,578,485	$ 5,852,890	9.35%	DSS	PROJECT
93.889	NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	$ 371,972,942	$ 4,785,415	1.29%	DPH	PROJECT
93.275	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-ACCESS TO RECOVERY	$ 76,362,380	$ 3,952,278	5.18%	DMHAS	PROJECT
93.268	IMMUNIZATION GRANTS	$ 266,891,361	$ 3,874,628	1.45%	DPH	PROJECT

*In cases where funds from a single program were sent to multiple CT state agencies, only the agency with the greatest funding level is listed

Source: PRI staff analysis of USASpending.gov data

While DSS is the clear leader among state agencies in formula funding due to its administration of Medicaid, it is generally among the second tier in overall amount total project grant funding, both within HHS and amongst all state agency project grants.[16] Many of the project grants DSS receives, especially those grants with the highest funding levels, are for demonstration projects surrounding changes to the administration of the formula grants, including Medicaid. The agency seems to do well with these type of project grants, but it is unclear whether other grant opportunties are not pursued within the agency because administration of the formula grants consumes the bulk of its personnel resources. Besides grants from HHS, DSS also has received funding from the Departments of Agriculture (primarily for the administration of the Supplemental Nutrition Assistance Program), Education, Energy, Labor, and Housing and Urban Development, as well as the Social Security Administration, though grants from these other super agencies represent a much smaller portion of funding than HHS.

[16] Both the Department of Public Health and the state Department of Transportation receive substantially greater amounts of project funding than DSS.

Both DPH, and DMHAS appear to excel at bringing HHS project grants to Connecticut, though, as discussed further in Section III, each agency has a different organizational approach towards pursuing federal project grant funds. By far, DPH received the highest HHS project grant funding total among state agency grant recipients (57 percent of all Connecticut state agency HHS project funds) - nearly double the next two highest state agency amounts (DSS and DMHAS) combined. It appears that DPH pursues a large number of different grants, participating in over 40 project grants, by CFDA number, over the three-year period.

On the other hand, DMHAS has done well in securing substantial funding for multiple project grants under just two CFDA program numbers.[17] Both of these program numbers are somewhat generic mental health and addiction program codes; DMHAS received funding for roughly a dozen different projects within these programs. While DMHAS got most of its federal revenues from HHS, it also received a smaller grant from the federal Department of Education (USDOE) for a Safe and Drug Free Schools Initiative.

The Department of Children and Families (DCF) also receives most of its federal funding through HHS, with some funding coming from the USDOE. Most federal funds received by DCF are formula grants for foster care or adoption services. The agency receives relatively little in project grant funding (i.e., roughly $1-2 million annually).

Opportunities for additional HHS funding. Of the 190 HHS project grants that Connecticut did not receive funding for, 18 grants, shown in Table II-6, would have yielded an expected share each of over $300,000 yearly. Another 22 HHS project grants would have yielded an expected share between $100,000 and $300,000 annually had Connecticut received funding.[18]

For several of the research grants listed in Table II-6, it appears that a state may have received funding to state government or institutions of higher education. For example, while Connecticut state government received no funding for Research Infrastructure, private institutions of higher education in the state received $12 million annually. It is possible that other states have state-affiliated medical research facilities not connected to higher education. It is also possible that information about the recipient type for some of these research grant funds was misclassified in the USASpending.gov database (i.e., the funds may be going to state-affiliated higher education institutions that were incorrectly labeled "state government" when inputted into the database).

[17] 93.243 and 93.275

[18] Just over 150 HHS project grants had nationwide funding less than $27 million annually (i.e., enough funding to put Connecticut's population-based expectation at $100,000), including over 80 programs with less than $1 million nationwide to state governments.

Table II-6. Health and Human Services Project Grants without Connecticut State Government Expenditure (FFY2009 - 2011)*			
PROGID	Program Title	US State Gov $ Annual Avg.	CT Expected Share
93.701	Trans-NIH Recovery Act Research Support	$ 132,757,782	$ 1,539,990
93.389	RESEARCH INFRASTRUCTURE	$ 69,575,165	$ 807,072
93.837	HEART AND VASCULAR DISEASES RESEARCH	$ 66,870,572	$ 775,699
93.855	ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH	$ 63,843,513	$ 740,585
93.859	PHARMACOLOGY, PHYSIOLOGY AND BIOLOGICAL CHEMISTRY RESEARCH	$ 63,414,885	$ 735,613
93.789	ALTERNATIVES TO PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES FOR CHILDREN	$ 60,417,614	$ 700,844
93.395	CANCER TREATMENT RESEARCH	$ 54,728,699	$ 634,853
93.914	HIV EMERGENCY RELIEF PROJECT GRANTS	$ 47,985,708	$ 556,634
93.847	DIABETES, ENDOCRINOLOGY AND METABOLISM RESEARCH	$ 45,853,298	$ 531,898
93.256	STATE PLANNING GRANT_HEALTH CARE ACCESS FOR THE UNINSURED	$ 42,286,806	$ 490,527
93.853	EXTRAMURAL RESEARCH PROGRAM IN NEUROSCIENCES & NEUROLOGICAL DISORDERS	$ 41,893,117	$ 485,960
93.393	CANCER CAUSE AND PREVENTION RESEARCH	$ 40,071,211	$ 464,826
93.397	CANCER CENTERS SUPPORT GRANTS	$ 37,087,771	$ 430,218
93.279	DRUG ABUSE RESEARCH PROGRAMS	$ 34,675,040	$ 402,230
93.224	COMMUNITY HEALTH CENTERS	$ 33,947,980	$ 393,797
93.866	AGING RESEARCH	$ 31,012,936	$ 359,750
93.867	VISION RESEARCH	$ 30,186,855	$ 350,168
93.273	ALCOHOL RESEARCH PROGRAMS	$ 29,042,825	$ 336,897

*List limited to HHS state government project grants with expected Connecticut share over $1,000,000

Source: PRI staff analysis of USASpending.gov data

Because of the sheer number of HHS grants that Connecticut did not receive, it appears that some grants may well be going unnoticed by the state. There is no single source of information on unsuccessful federal grant applications - as such, it was not evident how many of the grants Connecticut did not receive funding for were based on unsuccessful applications and how many simply were not applied for by Connecticut state agencies. This was true for all grant areas, not just HHS.

Education

The federal Department of Education (USDOE) is the second largest granting super agency to state governments by amount, with over $51 billion sent to state governments annually. Nearly all the grant fund expenditures of USDOE are formula funds - over $49 billion of the $51 billion (96 percent). The largest single grant is a general formula fund, but there is also substantial formula grant funding based on special education needs in a state and poverty rates. Table II-7 shows the top USDOE grants to state governments by total nationwide expenditure.

Table II-7. Education - Top grants by amount sent to state governments (FFY2009-2011)						
PROGID	Program Title	US State Gov $ Annual Avg.	CT State Gov $ Annual Avg.	CT St Gov %	State Agency *	Grant Type
84.394	STATE FISCAL STABILIZATION FUND (SFSF)-EDUCATION STATE GRANTS	$ 12,989,609,992	$ 147,750,618	1.14%	SDE	FORMULA
84.027	SPECIAL EDUCATION-GRANTS TO STATES	$ 7,713,061,459	$ 98,785,831	1.28%	SDE	FORMULA
84.010	TITLE I GRANTS TO LOCAL EDUCATION AGENCIES	$ 6,800,101,936	$ 58,282,166	0.86%	SDE	FORMULA
84.391	SPECIAL EDUCATION GRANTS TO STATE - RECOVERY ACT	$ 3,597,443,394	$ 44,323,823	1.23%	SDE	FORMULA
84.389	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT	$ 3,162,328,834	$ 23,571,391	0.75%	SDE	FORMULA
84.126	REHABILITATION SERVICES-VOCATIONAL REHABILITATION GRANTS TO STATES	$ 2,938,267,838	$ 26,167,750	0.89%	SDE	FORMULA
84.397	STATE FISCAL STABILIZATION FUND (SFSF)-GOVERNMENT SERVICES, RECOVERY ACT	$ 2,872,495,214	$ 32,873,609	1.14%	SDE	FORMULA
84.367	IMPROVING TEACHER QUALITY STATE GRANTS	$ 1,509,211,038	$ 14,868,705	0.99%	SDE	FORMULA
84.395	STATE FISCAL STABILIZATION FUND (SFSF) RACE-TO-THE-TOP INCENTIVE GRANTS	$ 1,409,191,360		0.00%		PROJECT
84.287	21ST CENTURY COMMUNITY LEARNING CENTERS	$ 1,035,780,762	$ 8,480,318	0.82%	SDE	FORMULA

*In cases where funds from a single program were sent to multiple CT state agencies, only the agency with the greatest funding level is listed

Source: PRI staff analysis of USASpending.gov data

Connecticut's education grants. Connecticut receives over $500 million annually from USDOE, most of which is passed through the state to school districts. There are 117 different USDOE programs that provide funding to state governments. Connecticut received funding for 53 different programs, representing 1.01 percent of the nationwide USDOE grant fund expenditure amount. Connecticut received 1.04 percent of USDOE formula funds to state governments, but only 0.22 percent of USDOE project funds to state governments. As Connecticut is a wealthy state with a relatively low statewide poverty rate, it is not surprising the state's share of formula funds is under the population-based expectation.

Connecticut receives funding for 45 of the 64 formula grants and eight of the 63 project grants that USDOE funded for state governments for FFYs 2009 - 2011. Connecticut receives funding for 19 of the 20 highest-funded USDOE grants to state governments and 42 of top 50 grants.

Race to the Top. As mentioned in section I, the largest single grant that Connecticut did not receive funding for was the Race to the Top program. In 2009, the federal government announced funding for a competitve K-12 education grant program called Race to the Top

(RTTT). The first funding of this program began in FFY 2010, with a total federal expenditure over $4.3 billion for that year. States were eligible to apply for two rounds of funding and Connecticut submitted an unsuccessful application in both rounds. In the second round, states were divided into five categories based on population density. These categories determined the range of award amounts a state could apply for - Connecticut was eligible to apply for $60 to $175 million.

Eleven states and the District of Columbia were awarded funds within the first two rounds, while states with particularly strong applications that did not receive awards were eligible to participate in a third round of RTTT funding that was otherwise targeted at school districts rather than states. Connecticut state government was not among those states eligible for the third round. An additional seven states received funding in the third round, bringing the total number of awards to 19. Third round funding of individual districts was announced in December 2012. While five districts in Connecticut applied, none received funding.

Between the second and third phases of the K-12 RTTT, a similar program was developed for early childhood education called the RTTT Early Learning Challenge (RTTT-ELC). This program was aimed at expanding access to high-quality pre-school and early learning. Connecticut submitted an application but was again unsuccessful in obtaining these competitive federal funds. Nine states were awarded amounts between $45 and $70 million each, at a total federal expenditure of approximately $500 million.[19] From discussions with participants and observers of Connecticut's application, a key component of successful state applications was the presence of a robust quality rating system for early childhood programs. Connecticut is currently developing such a system.

Opportunities for additional USDOE funding. The total expenditure for all USDOE non-RTTT project grants to state governments for which Connecticut did not receive funding was less than half of the RTTT expenditure. While RTTT represents the single-biggest grant program for which Connecticut did not receive funding, there are eight other USDOE project grants with Connecticut-expected shares over $100,000, including two programs with an expected share over $1 million annually each. These programs are shown in Table II-8.

[19] RTTT-ELC funds were expended in FFY 2012, so are not accounted for in the more general analysis of FFY 2009 through FFY 2011. The CFDA number for RTTT-ELC is 84.412.

Table II-8. Education project grants without Connecticut state government expenditure (FFY2009-2011)*			
PROGID	Program Title	US State Gov $ Annual Avg.	CT Expected Share
84.395	STATE FISCAL STABILIZATION FUND RACE-TO-THE-TOP INCENTIVE GRANTS	$ 1,409,191,360	$ 16,346,620
84.282	CHARTER SCHOOLS	$ 208,690,294	$ 2,420,807
84.041	IMPACT AID	$ 148,051,803	$ 1,717,401
84.384	STATEWIDE DATA SYSTEMS, RECOVERY ACT	$ 77,552,699	$ 899,611
84.374	TEACHER INCENTIVE FUND	$ 62,057,417	$ 719,866
84.385	TEACHER INCENTIVE FUND, RECOVERY ACT	$ 19,475,255	$ 225,913
84.368	GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS	$ 9,389,141	$ 108,914
84.350	TRANSITION TO TEACHING	$ 9,298,416	$ 107,862
84.361	VOLUNTARY PUBLIC SCHOOL CHOICE	$ 8,858,825	$ 102,762
*List limited to USDOE state government project grants with expected Connecticut share over $100,000 annually.			
Source: PRI staff analysis of USASpending.gov data			

The charter school grant is available for the first three years of a charter school's operation. The grant is set up so that either the state education agency or charter schools may apply for the grant. While Connecticut's State Department of Education did not receive funding between FFY 2009 and FFY 2011, an individual charter school did. It is unclear what benefit, if any, there is to SDE applying for the funds on behalf of a charter school.

The impact award grant is only eligible to offset financial hardships to a school district due to federal acquisition of property within that district. Two of the listed grants were ARRA programs, which are no longer funded.

While the state has not received a teacher incentive fund grant in the recent past, one district, New Haven Public Schools, was awarded $53.4 million (over five years) beginning in FFY 2013. It is possible that SDE could assist other school districts in future applications for teacher incentive funds, or other related grants.

Transportation

The federal Department of Transportation is the third largest federal super agency provider of grant funds to state governments, well behind HHS and nearly equal to USDOE. The agency funded over $50 billion in annual nationwide grants, with $42 billion of formula grant funding (84 percent of USDOT grant funds to state governments) and over $8 billion project grant funding (16 percent). Within USDOT programs, the line between formula and project grants is somewhat blurry. Much of the funding is allocated to states based on a combination of population and geographic features, but those same grants are made available to fund particular types of transportation infrastructure. A specific bridge or highway is likely to be built using a combination of the states greater formula allocation and, when available and awarded, project grants.

There were 50 different USDOT funded programs in the recent three-year period (FFYs 2009 - 2011). Highway planning and construction programs account for nearly 90 percent ($45 billion) of all USDOT grant funding to state governments.

Nearly 80 percent of USDOT funding goes to state government, with most of the remaining 20 percent going to local governments. Even when state governments are not the recipients of USDOT grant funds, the state transportation agencies generally have a role in ensuring the completion and safety of federally funded projects within their state. Table II-9 shows the top ten USDOT grants by amount.

Table II-9. Transportation - Top grants by amount sent to state governments (FFY2009-2011)

PROGID	Program Title	US State Gov $ Annual Avg.	CT State Gov $ Annual Avg.	CT St Gov %	State Agency*	Grant Type**
20.205	HIGHWAY PLANNING AND CONSTRUCTION	$44,674,878,215	$ 604,196,250	1.35%	DOT	FORMULA
20.319	HIGH-SPEED RAIL CORRIDORS AND INTERCITY PSNGR RAIL SVC-CAP. ASSIST GRANTS	$ 2,335,338,331	$ 23,333,333	1.00%	DOT	PROJECT
20.507	FEDERAL TRANSIT FORMULA GRANTS	$ 844,719,070	$ 93,660,631	11.09%	DOT	FORMULA
20.509	FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	$ 726,662,193	$ 3,101,797	0.43%	DOT	FORMULA
20.106	AIRPORT IMPROVEMENT PROGRAM	$ 618,393,799	$ 15,454,487	2.50%	DOT	PROJECT
20.500	FEDERAL TRANSIT-CAPITAL INVESTMENT GRANTS	$ 481,450,545	$ 30,631,902	6.36%	DOT	COMBO
20.600	STATE AND COMMUNITY HIGHWAY SAFETY	$ 158,881,221	$ 1,718,408	1.08%	DOT	FORMULA
20.505	FEDERAL TRANSIT-METROPOLITAN PLANNING GRANTS	$ 138,989,453		0.00%		FORMULA
20.513	CAPITAL ASSISTANCE PROGRAM FOR ELDERLY AND PERSONS WITH DISABILITIES	$ 114,702,438	$ 1,105,105	0.96%	DOT	FORMULA
20.601	ALCOHOL TRAFFIC SAFETY AND DRUNK DRIVING PREVENTION INCENTIVE GRANTS	$ 105,821,317	$ 799,831	0.76%	DOT	PROJECT

*In cases where funds from a single program were sent to multiple CT state agencies, only the agency with the greatest funding level is listed

**Designates primary grant fund type, as several USDOT program funds can be either formula or project grants.

Source: PRI staff analysis of USASpending.gov data

Connecticut's transportation grants. Nearly all USDOT funding to Connecticut state government comes to Connecticut's Department of Transportation (CONNDOT). As there is less distinction between formula and project funds, it is more informative to look at Connecticut's overall performance regarding all USDOT grants to state governments than to arbitrarily split the grants. Connecticut state government receives 1.55 percent (over $784 million annually) of all USDOT grant fund expenditures to state governments, well above the 1.16 percent benchmark.

Connecticut's relative success in the transportation subject area can largely be attributed to having projects ready to be funded in areas favored by federal policymakers. Unlike most

other project funding that lasts three to five years, many transportation projects are funded for 10 to 15 years or more.

Significant funding has been obtained by CONNDOT for three major projects: 1) the Q-bridge; 2) the New Britain-Hartford busway, and 3) the New Haven-Springfield high-speed rail project. Each of these federally funded projects has the potential to incorporate additional supplemental funding as construction moves forward and further project enrichment or enhancement grants are made available.

Opportunities for additional USDOT funding. Connecticut has received funding for 21 of 50 USDOT programs, including 11 of the top 12 grants by total funding to state governments. The 29 USDOT programs for which Connecticut did not receive funding had a combined nationwide expenditure to state governments of $308 million annually ($3.6 million Connecticut population-based expected share). The five grants with a Connecticut expected share over $100,000 annually are listed in Table II-10.

Table II-10. Transportation grants without Connecticut state government expenditure (FFY2009-2011)*

PROGID	Program Title	US State Gov $ Annual Avg.	CT Expected Share
20.505	FEDERAL TRANSIT-METROPOLITAN PLANNING GRANTS	$ 138,989,453	$ 1,612,278
20.608	MINIMUM PENALTIES FOR REPEAT OFFENDERS FOR DRIVING WHILE INTOXICATED	$ 45,854,597	$ 531,913
20.933	National Infrastructure Investments	$ 40,260,723	$ 467,024
20.314	RAILROAD DEVELOPMENT	$ 27,166,326	$ 315,129
20.317	CAPITAL ASSISTANCE TO STATES-INTERCITY PASSENGER RAIL SERVICE	$ 21,906,833	$ 254,119

*List limited to USDOT state government grants with expected Connecticut share over $100,000 annually.

Source: PRI staff analysis of USASpending.gov data

The largest single USDOT grant that Connecticut received no funding for was a formula grant that is passed through the state agency to qualified metropolitan areas for long-term planning studies of transportation needs. It is not clear if CONNDOT could independently seek these funds on behalf of a regional planning area. The Minimum Penalties for Repeat Offenders for Driving While Intoxicated project grant is exclusively for states that do not have or have not enforced repeat offender laws. Connecticut does not appear to be eligible for this grant.

The national infrastructure investment grants refer to a broad category of Transportation Investment Generating Economic Recovery (TIGER) grants available to state and local governments. Considered a highly competitive post-ARRA stimulus grant, the grants were first awarded in FFY 2010. While CONNDOT did not receive any of these funds directly, the department has aided the successful applications of four different municipalities: Bridgeport; Hartford; New Haven; and Stamford.

It appears the best way to obtain additional USDOT funding is by leveraging existing projects and funding sources.

Other Granting Federal Super Agencies

Collectively, HHS, USDOT, and USDOE are responsible for 88 percent of all federal grants to state governments. Five additional federal super agencies each contributed more than one percent of federal grants to state governments: Department of Agriculture (4.3 percent), Department of Labor (1.8 percent), Department of Housing and Urban Development (1.4 percent), Department of Homeland Security (1.2 percent) and the Environmental Protection Agency (1.2 percent). Additional detail about each of these agencies is provided below. Table II-11 (pages 39-40, at the end of this section), provides a list of the top 40 grants (by nationwide expenditure) to state governments for which Connecticut received no funding, excluding those from HHS, USDOT, or USDOE.

Department of Agriculture. The federal Department of Agriculture (USDA) primarily provides formula grants for various nutrition programs (e.g., National School Lunch; Supplemental Nutrition Assistance Program; Women, Infants, and Children), which are administered in the state by SDE, DSS, and DPH. Besides the nutritional programs, the fedeal super agency provides funding for various farmland and forestry programs, typically to the state's Department of Agriculture, Department of Energy and Environmental Protection, and Agricultural Experiment Station.

The federal superagency provides nearly $1 billion annually for 80 project grants. Connecticut state government receives just over $6 million for 24 of the 80 funded project grants. Connecticut state government receives just 0.78 percent of the federal super agency's nationwide grant expenditure, well below the population-based expectation. The relatively low percentage of formula funds (0.78 percent) to Connecticut is likely driven by the state's relatively low-poverty rate - a key factor in most supplemental nutrition programs. However, the state's share of USDA project grants is lower, at 0.68 percent.

There are several plausible explanations for Connecticut's relatively poor performance in obtaining project grants from USDA, including:

- lack of collaboration among the various state agencies that receive USDA funding;
- lack of a single state agency with primary responsibility for the wide range of programs under USDA; and
- limited eligibility due to geographic constraints (i.e., comparatively little agricultural land).

Table II-11 (pages 39-40), includes five project grants from USDA with population-based Connecticut expected share over $100,000 annually.

Department of Labor. The federal Department of Labor (DOL) primarily provides formula grants related to unemployment insurance and the Workforce Investment Act. These grants are often to support and administer the unemployment compensation program. The unemployment compensation program provides direct payment to individuals (and outside this

studies scope) and the administrative costs to a state are fully federally funded. Similar to USDOT grants, several DOL grant programs are funded both as formula and project grants. State government receives a higher percentage, 1.46 percent, of overall DOL expenditures than expected.

For those grants that are strictly project grants, DOL provides $1.1 billion annually for 20 project grants to state governments. Connecticut state government, through the state Department of Labor, receives $15.8 million annually for 10 of the 20 funded project grants, which represents 1.39 percent of the nationwide allocation to state governments. The greater-than-expected share is largely attributeable receiving $5.8 million for a Green Jobs Innovation Fund grant - Connecticut was the only state government to receive money for this program.[20] Only two of the project grants for which Connecticut did not receive funding would have resulted in an expected share over $100,000 annually. These are shown in Table II-11 (pages 39-40).

Department of Housing and Urban Development. The Department of Housing and Urban Development (HUD) provides over $7 billion annually in federal grants to state governments, which typically then pass the funds to local and regional community development groups. Most HUD funding to state governments through formula grants ($6.3 billion). Connecticut state government received most HUD funding through the state's Department of Economic and Community Development, though a lesser share is handled by DSS.

Looking at project grants specifically, HUD annually provides approximately $750 million to state governments, of which Connecticut received $13.5 million (1.81 percent of all HUD project grant expenditures to state governments). While Connecticut received funding for just five of the 21 HUD funded project grants to state government, it received upwards of 5.0 percent of the total allocation for each of those five programs. Further, none of the remaining 15 HUD project grants is highly funded, so Connecticut's expected share would not reach the $100,000 threshold (i.e., no HUD project grants appear in the table listing possible opportunities for additional federal revenue).

Department of Homeland Security. Unlike the previously mentioned federal super agencies, the Department of Homeland Security (DHS) provides relatively little funding through formula grants to state government. Though DHS provides funding for only two formula grants, Connecticut state government receives funding for each. Most of the DHS $5.9 billion annual grant expenditure to state government is through public assistance grants following natural disasters. The grant program funds, which are primarily sent to state governments, account for over $4 billion annually (69 percent of DHS grant funds). Connecticut has received very little money (less than $50,000) through this program from FFYs 2009 - FFY 2011, as the state did not experience a natural disaster during the time frame studied that would warrant eligibility for these disaster relief funds. This program alone accounts for Connecticut's very low share of federal funds from DHS (0.16 percent of project grants).

[20] Connecticut was also one of four states and the District of Columbia with non-profit organizations that received this grant - CFDA number 17.279. Between the state government and the in-state non-profit, Connecticut received over $11 million for the program - this represents over one-quarter of the total $40 million program expenditure. The program was funded in FFY 2011 only.

Connecticut received $6 million in funding for 16 of DHS's 35 project grants (including the public assistance grants), most of which came to the state Department of Emergency Services and Public Protection. Six of the 19 programs for which Connecticut state government received no funding had a Connecticut-expected share over $100,000 (Table II-11 (pages 39-40)). Connecticut's total population-based expected share for these programs is just over $1 million, but it is unclear whether Connecticut is eligible for any of these programs absent a natural disaster. However, it is likely that Connecticut received a much higher share of these funds following the pledge of federal assistance dollars for the three major storms to hit the state from August 2011 through November 2012.

Environmental Protection Agency. The federal Environmental Protection Agency (EPA) is the primary source of water, land, and air clean-up preservation funds. The super agency provides funding through project grants, some of which are cooperative agreements which can be allocated in a manner that closely resembles formula grants. The top two EPA grants to states, both clean water programs, account for $4.7 billion of the superagency's $5.7 billion annual expenditure. Connecticut state government does particularly well ($10 million annually - 2.67 percent of the programs expenditures) regarding the third-highest funded program, Performance Partnership Grants. The primary recipient of EPA grants in the state is the Department of Energy and Environmental Protection, though DPH also receives some funding for clean drinking water programs.

Connecticut state government was funded for 27 of the super agency's 68 programs, receiving 1.07 percent of all EPA grant fund expenditures to state government. Connecticut did not receive funding for eight EPA programs that were funded at a high enough level that the state's population-based expectation share would have been $100,000, shown in Table II-11 (pages 39-40). However, many EPA project grants are specific to a geographic region or include features that limit eligibility. For example, Connecticut would not be eligible for three of the eight project grants mentioned above because of these regional specifications (i.e., the three projects are titled "Great Lakes Program", "Chesapeake Bay Program", and "Puget Sound Action Agenda"). On the other hand, Connecticut receives over $5 million for the "Long Island Sound Program."

Opportunities for additional project grant funding. Table II-11 (pages 39-40) shows 40 grants for which Connecticut state government received no funding, but had a population-based expectation funding level over $100,000 annually.[21]

Besides the programs listed in Table II-11, there were approximately 350 additional program grants to state government, excluding those funded by HHS, USDOT, or USDOE, where Connecticut's expected shared was less than $100,000 annually. In total, nearly 600 project grants to state government had national expenditures totaling less than $9 million annually.[22]

[21] The list excludes grants from HHS, USDOT, and USDOE, which were discussed earlier in this section.
[22] A $9 million nationwide expenditure equates to a $104,400 population-based expectation for the state.

Connecticut state government is ineligible for 60 percent of the over 100 grants with annual nationwide expenditures over $9 million for which state government received no funding. The remaining list of potential grant opportunities is provided in Appendix C. The program review committee recommends **the Office of Policy and Management should examine the list of grant opportunities provided in Appendix C to determine which of these identified grants the state should pursue.**

Table II-11. Other federal project grants to state governments without Connecticut expenditure (FFY 2009 through 2011)*

Federal Super Agency	PROGID	Program Title	US State Gov Annual Avg	CT Annual Expected Share
INTERIOR, DEPARTMENT OF THE	15.875	ECON. AND POLITICAL DEVELOPMENT OF THE TERRITORIES & FREELY ASSOC. STATES	$ 153,081,065	$ 1,775,740
COMMERCE, DEPARTMENT OF	11.438	PACIFIC COAST SALMON RECOVERY-PACIFIC SALMON TREATY PROGRAM	$ 77,286,975	$ 896,529
LABOR, DEPARTMENT OF	17.275	PROGRAM OF COMPETITIVE GRANTS FOR WORKER TRAIN. & PLACEMENT HIGH GROWTH &	$ 73,927,944	$ 857,564
AGRICULTURE, DEPARTMENT OF	10.688	RECOVERY ACT OF 2009: WILDLAND FIRE MANAGEMENT	$ 67,437,021	$ 782,269
ENVIRONMENTAL PROTECTION AGENCY	66.419	WATER POLLUTION CONTROL-STATE AND INTERSTATE PROGRAM SUPPORT	$ 64,309,919	$ 745,995
ENVIRONMENTAL PROTECTION AGENCY	66.001	AIR POLLUTION CONTROL PROGRAM SUPPORT	$ 53,007,396	$ 614,886
ENVIRONMENTAL PROTECTION AGENCY	66.801	HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT	$ 49,442,848	$ 573,537
HOMELAND SECURITY, DEPARTMENT OF	97.001	SPECIAL PROJECTS	$ 39,960,180	$ 463,538
JUSTICE, DEPARTMENT OF	16.610	REGIONAL INFORMATION SHARING SYSTEMS	$ 37,103,758	$ 430,404
AGRICULTURE, DEPARTMENT OF	10.950	AGRICULTURE STATISTICS REPORTS	$ 31,104,956	$ 360,817
VETERANS AFFAIRS, DEPARTMENT OF	64.203	STATE CEMETERY GRANTS	$ 30,998,648	$ 359,584
INTERIOR, DEPARTMENT OF THE	15.518	GARRISON DIVERSION UNIT	$ 29,316,341	$ 340,070
ENERGY, DEPARTMENT OF	81.106	TRANSPORT OF TRANSURANIC WASTES TO ISOLATION PILOT PLANT: STATES	$ 29,267,727	$ 339,506
COMMERCE, DEPARTMENT OF	11.452	UNALLIED INDUSTRY PROGRAMS	$ 28,277,971	$ 328,024
HOMELAND SECURITY, DEPARTMENT OF	97.109	Disaster Housing Assistance Grant	$ 27,360,260	$ 317,379
ENVIRONMENTAL PROTECTION AGENCY	66.600	ENVIRONMENTAL PROTECTION CONSOLIDATED GRANTS PROGRAM SUPPORT	$ 26,265,607	$ 304,681
AGRICULTURE, DEPARTMENT OF	10.475	COOP AGREEMENTS WITH STATES FOR INTRASTATE MEAT & POULTRY INSPECTION	$ 23,979,510	$ 278,162
ENVIRONMENTAL PROTECTION AGENCY	66.469	GREAT LAKES PROGRAM	$ 23,422,183	$ 271,697

INTERIOR, DEPARTMENT OF THE	15.250	REGULATION OF SURFACE COAL MINING & SURFACE EFFECTS OF UNDERGRD MINING	$ 18,220,046	$ 211,353
HOMELAND SECURITY, DEPARTMENT OF	97.091	HOMELAND SECURITY BIO-WATCH PROGRAM	$ 16,032,127	$ 185,973
COMMERCE, DEPARTMENT OF	11.436	COLUMBIA RIVER FISHERIES DEVELOPMENT PROGRAM	$ 15,638,760	$ 181,410
ENVIRONMENTAL PROTECTION AGENCY	66.418	CONSTRUCTION GRANTS FOR WASTEWATER TREATMENT WORKS	$ 15,628,596	$ 181,292
AGRICULTURE, DEPARTMENT OF	10.916	WATERSHED REHABILITATION PROGRAM	$ 15,284,941	$ 177,305
ENVIRONMENTAL PROTECTION AGENCY	66.466	CHESAPEAKE BAY PROGRAM	$ 14,741,624	$ 171,003
ENVIRONMENTAL PROTECTION AGENCY	66.123	PUGET SOUND ACTION AGENDA:TECH INVESTIGATIONS AND IMPLEMENTATION ASST PRGM	$ 14,579,550	$ 169,123
INTERIOR, DEPARTMENT OF THE	15.535	UPPER COLORADO RIVER BASIN FISH AND WILDLIFE MIGRATION PROGRAM	$ 13,666,667	$ 158,533
COMMERCE, DEPARTMENT OF	11.420	COASTAL ZONE MANAGEMENT ESTUARINE RESEARCH RESERVES	$ 13,321,762	$ 154,532
JUSTICE, DEPARTMENT OF	16.810	RECOVERY ACT - ASSISTANCE TO RURAL LAW ENFORCEMENT TO COMBAT CRIME & DRUGS	$ 12,869,620	$ 149,288
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	94.011	FOSTER GRANDPARENT PROGRAM	$ 12,112,380	$ 140,504
LABOR, DEPARTMENT OF	17.261	EMPLOYMENT AND TRAINING ADMINISTRATION PILOTS, DEMOS & RESEARCH	$ 12,052,303	$ 139,807
JUSTICE, DEPARTMENT OF	16.753	CONGRESSIONALLY RECOMMENDED AWARDS	$ 11,677,542	$ 135,459
COMMERCE, DEPARTMENT OF	11.472	UNALLIED SCIENCE PROGRAM	$ 11,408,137	$ 132,334
COMMERCE, DEPARTMENT OF	11.611	MANUFACTURING EXTENSION PARTNERSHIP	$ 11,097,046	$ 128,726
HOMELAND SECURITY, DEPARTMENT OF	97.041	NATIONAL DAM SAFETY PROGRAM	$ 10,483,771	$ 121,612
HOMELAND SECURITY, DEPARTMENT OF	97.111	REGIONAL CATASTROPHIC PREPAREDNESS GRANT PROGRAM	$ 10,334,167	$ 119,876
INTERIOR, DEPARTMENT OF THE	15.517	FISH AND WILDLIFE COORDINATION ACT	$ 9,932,198	$ 115,213
AGRICULTURE, DEPARTMENT OF	10.902	SOIL AND WATER CONSERVATION	$ 9,608,131	$ 111,454
JUSTICE, DEPARTMENT OF	16.585	DRUG COURT DISCRETIONARY GRANT PROGRAM	$ 9,532,597	$ 110,578
ENERGY, DEPARTMENT OF	81.502	Miscellaneous Federal Assistance Actions	$ 9,372,594	$ 108,722
HOMELAND SECURITY, DEPARTMENT OF	97.110	SEVERE LOSS REPETITIVE PROGRAM	$ 8,960,592	$ 103,943

*List excludes those project grants with expected Connecticut share less than $100,000 annually and any grants funded by HHS, USDOT, or USDOE

Source: PRI staff analysis of USASpending.Gov data

Section III

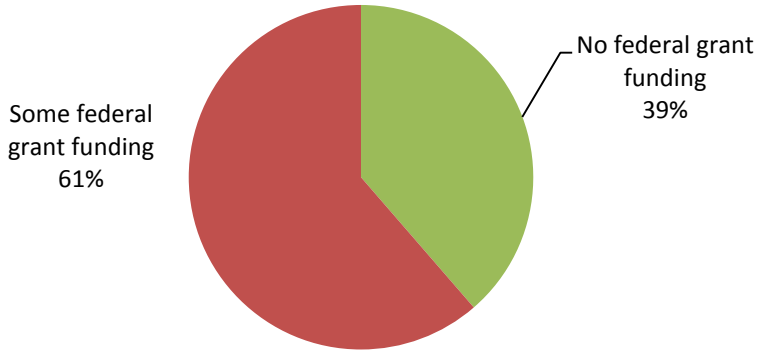
Connecticut's Organization and Structure

There are currently 1,714 congressionally authorized federal grant programs administered by 26 federal agencies.[23] At the state level, there were 26 agencies including the University of Connecticut, the UConn Health Center, and the Board of Regents for Higher Education each administering federal grants of at least $1 million dollars annually. The first two sections discussed broadly how Connecticut fares as a state in the various types and program areas of federal grants. This section describes how Connecticut is structured and organized to pursue and obtain federal funding.

To gather a clearer picture of how state agencies go about identifying and seeking federal grants, program review staff distributed a survey to 83 state agencies, including: all executive branch agencies and the state's quasi-public agencies; the judicial department, as well as the higher education system. The committee was provided with information on the survey at its September meeting. This section relies heavily on the survey results to portray how the state is structured around pursing federal grants and other funding opportunities.

Survey responses were received from 44 separate agencies;[24] 27 indicated receiving some federal grant funding in either FY 10 or FY 11. The 17 that did not were mostly small agencies and offices. What the survey results showed was that Connecticut has a decentralized system for identifying and pursuing grants.

Figure III-1. State Agencies Receipt of Federal Grant Fundings



Source: PRI survey of state agencies

[23]Congressional Research Service, Federal Grants-in-Aid Administration: A Primer, October 2012. p.1

[24] An additional six state agencies did not respond to the survey, but otherwise told PRI staff the agency had no responsibilities related to federal grants.

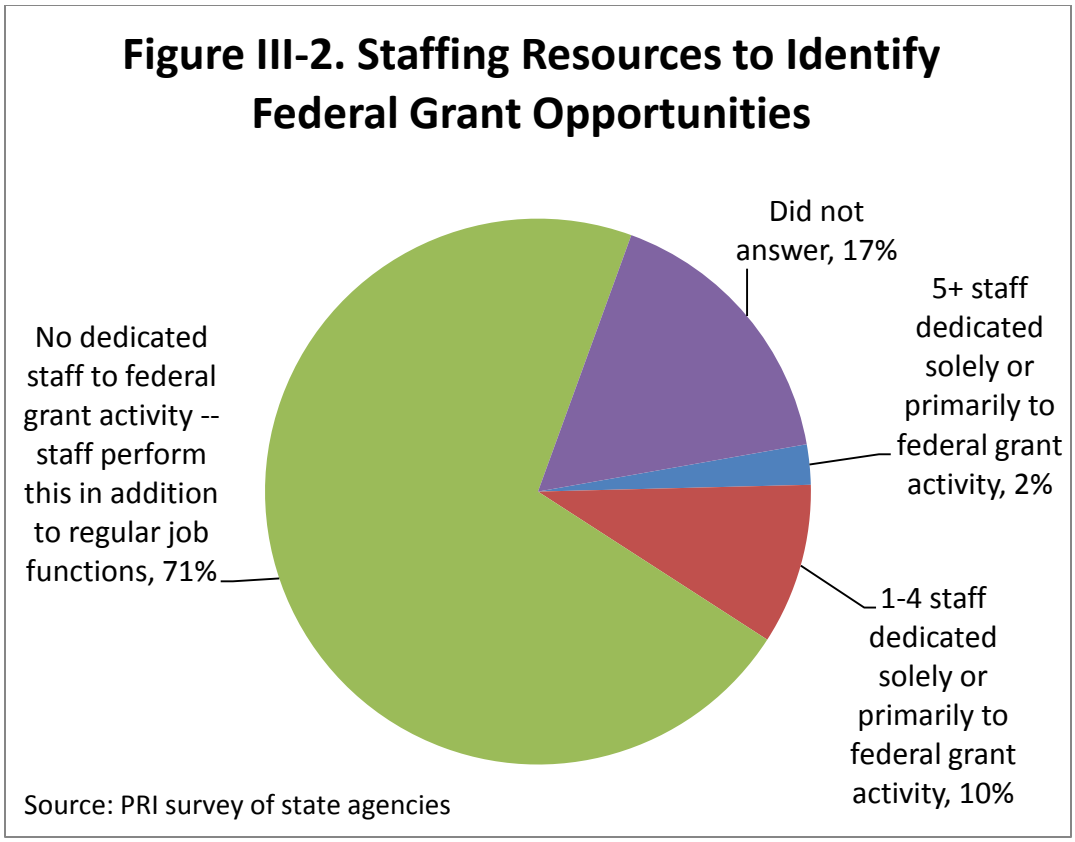
As pointed out in June update material, Connecticut is one of 26 states that do not have a single point of contact (SPOC) for federal grants. This practice, begun in 1982 through federal executive order, was not a mandate but was aimed at fostering intergovernmental partnership by relying of state and local processes for review and coordination of proposed federal assistance. However, with the myriad of federal programs and the decentralization of grants at the federal level, it appears that even states considered to have a single point of contact may not be using them in practice. Further, PRI staff analysis determined that SPOC states fared no better than those without in receipt of federal grant dollars when measured against percent of national population in that state.

PRI staff concludes the decentralized system in Connecticut is due in large part to the variety of way that federal grants are designed, and reflects differences in program areas and agencies that fund them. For example, in higher education, the identification of research grant funding is largely left to the principal investigator (researcher). The application and receipt of an award by the National Science Foundation (NSF) often depends on the national reputation of the institution and the researcher seeking the grants.

The NSF data indicate that in FY 10, Connecticut exceeded the national award rate (number of awards granted as a percent of proposals made) by a large margin. Connecticut's rate was 27 percent while the national average was 19 percent. The success rate would include awards made to non-public institutions, like Yale. In FY 11, Connecticut's rate was 18 percent, identical to the national rate. In interviews with UConn administrators, they indicate it is difficult to compete with states like Massachusetts that are home to many renowned large private and public institutions.

In other areas -- like the community development or social service block grants, or transportation funding -- identification of the grants is less important, as the allocation is based on a formula. In those formula-based areas, the administration of the grants requires much more state agency time and resources than in identifying and seeking the funding. Yet in still other program areas, such as the substance abuse, mental health, and public health prevention and demonstration grants, the federal funding agencies make much of their funding available through competitive awards, and the identification of those grants at the state agency level is crucial.

The survey responses indicated that few state agencies had staff dedicated to identifying or seeking grants. Over seventy percent of the responding agencies indicated the responsibility was dispersed throughout the agency (another 17 percent of respondents did not answer the question). Ten percent of the agencies stated they had 1-4 staff while 2 percent (one agency) of agencies responding indicated they had 5 or more staff dedicated to grants.



PRI staff finds the decentralized nature of state government structure around federal grants (identifying, applying for, and administering) is necessary given the differences in federal programs, eligibility, application and plan submissions, and reporting requirements.

In interviews with staff of 10 large state agencies, all indicated that knowledge of the program area was key to successful federal grant application, and that centralizing that function in one agency would be problematic. Responses to the survey were split about whether there should be a centralized state-level point of contact on "directing and coordinating agencies in applying for federal grants," with slightly more large agencies saying it would hamper rather than help.

Program review staff believes the decentralized structure offers many benefits, especially in the area of programmatic knowledge base, and should be preserved. However, the decentralized structure also presents deficiencies. *Program review staff finds the major deficiencies of the decentralized system are:*

- *There is no one place (or staff) driving the coordination of state agencies around identifying, seeking, and obtaining alternative revenue sources.*

- *The decentralized nature of grant-seeking (and obtaining other alternative revenues) allows agencies to continue operating in a fragmented, insular fashion with minimal accountability.*

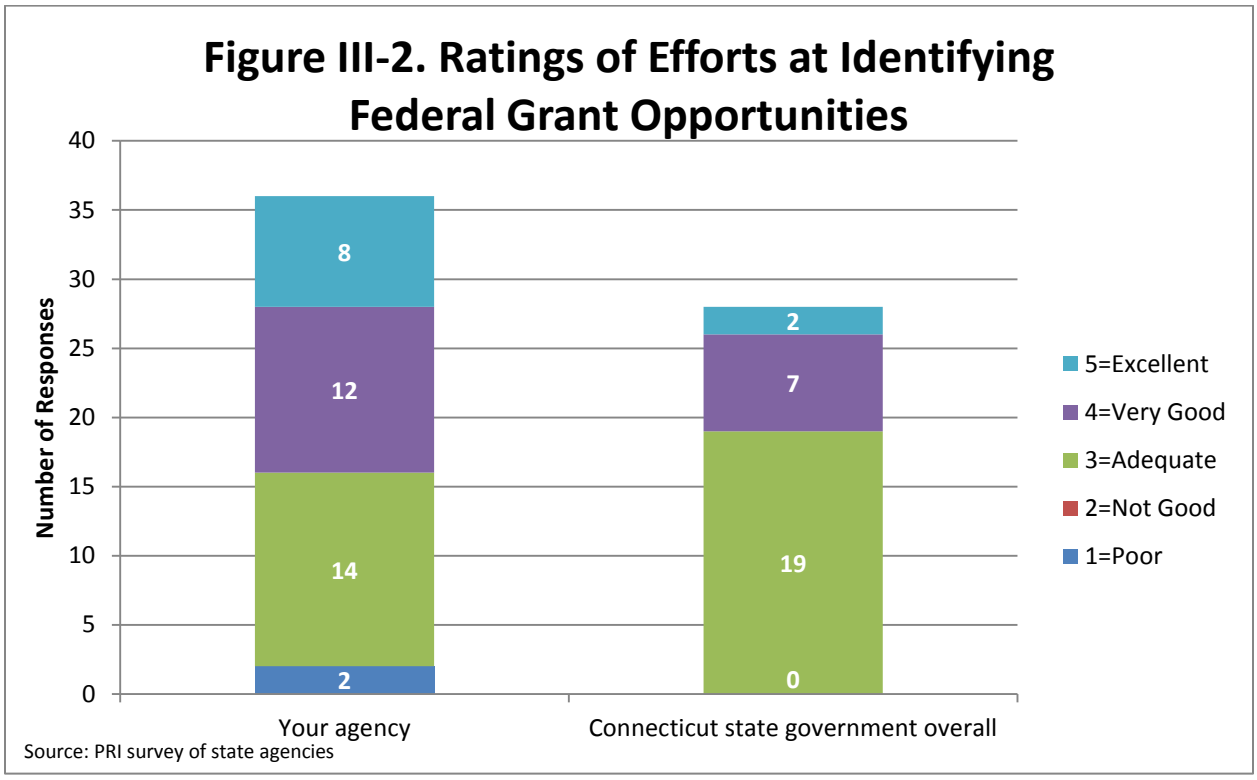
- *There is no ongoing oversight to identify where the state might be missing opportunities and with better direction, provision of technical assistance, or guidance, Connecticut might have better successes in particular areas.*

- *The system does not provide confidence that the state is purposeful and informed in its approach to federal grants.*

- *There is no one in charge of the relationship-building infrastructure necessary to demonstrate to federal and other funding agencies that those connections already exist. This collaborative structure must exist among state agencies, their nonprofit partners, and increasingly, the private sector as well.*

- *There is no one place (or staff)to link state policy priorities with any alternative funding sources that might be sought and secured to achieve them.*

PRI staff concludes that the decentralized approach has led to an insular view on the part of individual agencies that each is doing fine in maximizing federal revenues in that area, but that the state's performance as a whole is just "adequate". Individual agencies responding to the PRI survey self-reported favorably on their own successes, but were somewhat less favorable on their view of the state's efforts.



A majority of agencies seem to think a more centralized approach to some aspects of maximizing federal revenues would be beneficial. Almost two-thirds of agencies responding to the PRI survey felt that having a "centralized state-level [office that provides] technical assistance to agencies in applying for federal grants" would enhance the success of that agency. Currently, technical assistance is not provided to individual agencies in any comprehensive way. There are some program areas where technical assistance is more structured and formal than others. The Office of Policy and Management coordinates the identification, application, and administration of adult and juvenile criminal justice grants for state and local recipients, perhaps because responsibility for criminal justice is so dispersed among several agencies and even among branches of government. In most other areas, however, individual state agencies take the lead on grants identification, application, and administration.

Staff at the Connecticut Department of Mental Health and Addiction Services -- an agency PRI staff identified as a model of success in seeking and obtaining competitive grants -- indicated that key agency staff had at one time offered training sessions to other agencies and nonprofits. Requests for assistance became so frequent that it proved too time-consuming and sessions were not continued.

Program review staff finds that because of the decentralized structure, there is also a lack of information at the state level about federal grants. There is no comprehensive information about what funding is coming to what state agencies or on how well agencies are performing in obtaining federal (and other alternative) funds.

There is no overall tracking system for what the state might apply for, what funding has been sought, or what has been received. The Office of the State Comptroller and the state auditors track federal expenditures by state agency and by CFDA program number, as part of the single state audit. However, that reporting does not reflect which agency was the applicant of the funds.

Further, there is no network of state agency contacts for federal funding in Connecticut. When the federal stimulus funding became available in 2009, fairly comprehensive contact information was established, but that is no longer operational as a result of: the end of that funding; state employee retirements; and the change in administration.

The governor's office had begun assembling a list of current agency contacts, but at the end of the summer it was still not complete. When PRI staff wished to survey agencies around federal funding, committee staff sent the survey to legislative liaisons with the requests to have the instrument distributed to the most appropriate person to complete.

The program review committee also finds that due to the decentralized and siloed structure, opportunities for collaboration may be missed. Less than one-third of the agencies responding to the survey indicated they had collaborated around *identifying* grant opportunities in the previous two years, and only half of them collaborated with another state agency on *applying* for federal funds over the past two years.

To address the flaws and deficiencies that result from the state's decentralized system to approaching federal funds, the program review committee recommends the following:

Create a state Office for Maximizing Alternative Revenue within the Office of Policy and Management, staffed by one person. The person should be hired at the undersecretary level, and shall have recognized leadership abilities, knowledge of state agencies and community-based organizations, as well as high-level knowledge of program areas and funding streams. The staff person should also have knowledge of state's approval process for supporting federal grant applications.

The office should:

- **Develop a high-level tracking system for the state's federal grants funding. Working with the designated contact in each agency (recommendation on page 53), the Office should ensure that grant-specific information for the tracking system is kept at each agency for all submitted grant applications (successful and unsuccessful), readily accessible to the Office. The overall results of the tracking should be reported annually on a website maintained by the Office. The tracking would help identify where opportunities might exist for pursuing alternative funding.**

- **Consult with the legislative Finance, Revenue and Bonding and Appropriations Committees, at least quarterly, on ongoing efforts to maximize alternative revenues, including providing information from the tracking system.**

- **Oversee and working with any contractor(s) retained by OPM to explore specific federal revenue maximization efforts. (See Section IV, pages 70-71).**

- **Ensuring that all agencies receive the technical assistance in grant writing, through training sessions, or where the application warrants, contracting for the service.** (It is important to state, however, that this is not a grant-writing office).

- **Serve as the state's key contact with the governor's federal funding staff person in Washington and Connecticut's Congressional delegation and its staff.**

- **Ensuring that the best practices set forth in the next section are employed in state government. Examples include:**

    - **facilitating collaborative networks among state agencies and external partners;**

    - **developing and maintaining list of key contacts within each agency;**

    - **linking funding efforts with state's policy goal and objectives; and**

- **building consensus among relevant stakeholders around a unified strategy when pursuing critical funding opportunities.**

It is important that the office not be viewed by state agencies as a micro-management entity. The purpose of the office is not to function as one more administrative hoop or obstacle that agencies must clear in carrying out their grant application activities. Rather, the office is being established to bring a high-level approach to an activity that has been left to individual agencies. Examples will be cited in Section IV that opportunities are being missed because there is no overarching level connectivity that promotes coordination, collaboration and alignment with the state's policy goals. This ultimately is what funders are looking for, and what the state needs to demonstrate if it is to be more successful.

On the other hand, PRI believes the proposal we are making should not be prescriptive in what or how the office should carry out its functions. The staff person should be allowed wide latitude and flexibility in the approach it uses to accomplish the objectives outlined; no doubt these will change depending on the situation.

In Maryland, the only state PRI identified with well-developed centralized grant information, the Governor's Grants Office comprises three people. The GGO works with a team that includes primary grants contacts in each state agency. It also has formed grants steering committees around larger federal program areas. The office also maintains a listserve of all grant contacts at local level and among other community organizations.

In addition, the GGO provides resources and technical assistance to State agencies, local governments, non-profit organizations, businesses and universities on all aspects of federal grants and federal funds. The Governor's Grants Office measures funds, identifies new funding opportunities and provides training in all aspects of grant writing and grants management. In 2011, Maryland's GGO provided 47 training sessions for approximately 4,100 people. In addition, the office held a general statewide grants conference, which was attended by about 700 people, and another highlighting higher education, which was attended by 250.

Another Connecticut model established along these lines is the Office of Health Reform and Innovation. The office, which has spearheaded the state's efforts to capture available funding under the Affordable Care Act, has been credited with bringing in about $115 million in federal dollars over the past two years to establish the state's Health Insurance Exchange and support other health reform efforts envisioned in the federal legislation. But the role of the office goes far beyond a grant writing office. The office must ensure that: agencies are all "rowing in the same direction"; there is agreement on how to accomplish goals and objectives; and any partners from the nonprofit and private sectors work are on board. Further, the office has to work with the legislature to ensure passage of any legislative requirements necessary for reform implementation. These elements are ones that most often federal agencies and other funding entities want to see in place by the time any grant application is even submitted, rather than having the grant pay for the capacity building.

These capacity-building activities are the type that PRI envisions for the Office of Maximizing Alternative Revenues. The office is not a replacement of, or an addition to, any

functional responsibility currently taking place in the agencies. Instead, the office is being created make sure that human infrastructure is in place and that grant writing and other technical assistance resources are targeted to where they are most needed.

While PRI staff understands this is a substantial role for a one-person office, assigning the office the proposed title, the Office of Maximizing Alternative Revenue, clearly designates its purpose and role. Further, PRI staff believe the status of a separate office has clear advantages over assigning a person to perform similar functions, but within an already established agency, like the Office of Policy and Management. Further, PRI concludes that none of the functions assigned to the one-person office should require resources that are not already available in any of the agencies OMAR would be assisting.

The committee deliberated about the creation of a new office and the necessity of hiring staff, even if only one person, especially in these tight fiscal times. The committee did consider that the role and responsibility could be designated to one or more current OPM staff. However, the committee rejected that idea, as PRI members believe strongly that if the state is to achieve optimum results in this area the outlined functions need to be assigned to one high-level person whose sole role is to maximize alternative revenues for the state.

Mindful of the financial concerns, the committee recommends the person staffing this office should be hired on a contractual basis, with initial funding coming from the $800,000 funding already appropriated to OPM for FY 13 through FY 15. Beyond the initial time frame, the compensation for the staff person at OMAR, should be on a contingency basis, based on some measure of the increased amount of alternative revenues the state realizes. The committee recognizes that other areas of state government are now engaging in this type of contracting, and believes this could be used here, with compensation based only on proven performance -- increasing revenue to the state.

Section IV

Models and Best Practices

As noted in the previous section's narrative accompanying the proposal to create an Office of Maximizing Alternative Revenue, the office should be given a great deal of flexibility on how it carries out its responsibilities. The recommendation itself is not prescriptive, but rather proposes the office should ensure the state engage in best practices to maximize alternative revenue.

Best practices for states on how to maximize federal or other revenues are not documented in any one place. However, PRI staff developed the following best practices outlined in this section based on:

- interviews with staff in other states considered leaders in the area;
- discussion with Connecticut officials in and out of state government knowledgeable about the topic and factors that contribute to success; and
- review of resource materials around revenue maximization in specific program areas.

These guidelines are discussed in some detail, including types of actions or efforts that might be employed, as well as examples of Connecticut state agencies already engaging in the practice. The section also provides instances where PRI staff believe agencies may be deficient in a particular area, and where opportunities for improvement exist.

Best Practice: A well-developed human infrastructure based on relationships in broad program areas.

- *These networks can respond quickly to funding opportunities.*

- *Agencies must already have established working relationships with other agencies to consistently address prospective funding..*

- *Agencies must have established working relationships with community-based organizations in programmatic area.*

- *With increasing frequency, federal granting agencies expect these collaborations to cross over single program lines -- e.g., human services and employment and training -- or geographic areas -- e.g., regional or even state lines (see the U.S. Economic Development Administration on Investment Priorities).*

- *Federal granting agencies look to see what partnerships, in and out of state government, exist as part of the application.*

The program review committee finds that, in general, Connecticut state government does not have a well-established statewide infrastructure in place for seeking and obtaining

grants. The lack of a statewide organizational framework became apparent in 2009 when the American Recovery and Reinvestment Act (federal stimulus) funding was authorized. At the time, Governor Rell designated staff from the governor's office along with the Office of Policy and Management, to spearhead the stimulus fund efforts. However, the state umbrella network was being developed at the same time as the funding was being released, so there was a rush to create that structure quickly, in order that funding opportunities would not be missed.

Also, the organizational infrastructure further down in state government necessary to pursue funding available in various program areas was often not in place. Individual contacts in each agency with broad knowledge of federal funding and grants were not readily available, and meant again that network was developed in a hurried fashion.

The collaborative infrastructure -- e.g., state and local government and/or community nonprofits that often was a requirement of receipt of the federal funding -- also was inconsistent among the various program areas. In hindsight, because this infrastructure was not well developed, Connecticut appears to have missed funding opportunities. Connecticut ranked 25th in receipt of ARRA funds overall, but lagged in project (or competitive-type) grants, at 32nd. This is lower than the state's more typical rank of 20th for most categories, as discussed in earlier sections.

A primary example of a missed funding opportunity because of a lack of program infrastructure in place occurred in 2009 with the release of $5 billion in ARRA funding allocated to the Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund. The Department of Social Services, the state agency responsible for TANF, did not have a well-developed collaborative with community partners, ready to apply for and implement the various services permitted under the program. By the time this collaborative effort was in place, several months had lapsed; further, DSS maintained a narrow definition of what services and expenses were eligible under the program. As a result, Connecticut failed to capitalize on approximately $76 million dollars under this program.

The lack of a strong collaborative infrastructure continues to be a shortcoming in some program areas. A number of the survey responses from state agencies indicated that the federal funding reviewers' feedback cited the lack of demonstrated partners or "not enough broad support from the private sector" as reasons why that agency's application was not awarded funding. Further, as the table below shows, most state agency contact with other entities is more infrequent than frequent. According to the PRI staff survey results presented in Table IV-1, 55 percent of state agencies have less than monthly contact with Connecticut towns or cities, and roughly two-thirds have infrequent contact with business groups or chambers of commerce. State agency contact with non-profits and other state agencies was more common, but only half of responding agencies indicated frequent contact with these groups.

Table IV-1. State Agency Frequency of Contact with Collaborating Partners						
Collaborating Partners	Less than monthly		Monthly or more often		Not applicable or did not respond	
	#	%	#	%	#	%
Other State Agencies	17	39%	22	50%	5	11%
Connecticut Towns or Cities	24	55%	13	30%	7	16%
Nonprofit Agencies	16	36%	21	48%	7	16%
Advocacy Groups	19	43%	17	39%	8	18%
Business Groups/Chambers of Commerce	28	64%	7	16%	9	20%
CT Congressional Delegation Staff	29	66%	8	18%	7	16%
Source: PRI survey of state agencies						

Historically, agencies received categorical funding for particular programs and for specific populations, and that is still the case for major sources of funding, like Medicaid, food stamps (now SNAP), and housing. However, increasingly states must demonstrate that they are serving clients in a holistic fashion, that "there is no wrong door" for clients to accessing programs that federal dollars are supporting. The lack of contact documented in the survey responses must change if Connecticut is to meet the expectations of administering and funding programs, especially when the populations are similar.

The first step in this organizational shift has to be better collaboration among state agencies. Building these connections should be a high priority of the director of the Office of Maximizing Alternative Revenues. Many of these agency links should be apparent because they serve the same populations. Similarly, building out this infrastructure to extend to the nonprofit sector should be about clients served and how best to do that in a coordinated, cost-effective, outcome-oriented way. Further, links to the private sector -- whether private providers and insurers in the health care area, or employers involved in employment and training programs -- also need to be established.

In some areas of building this human infrastructure, the state is well-positioned. For example, in the mental health and addiction services area, the Department of Mental Health and Addiction Services has taken a lead role and has a well-established network of community providers and other partners that it collaborates with in seeking federal or other alternative funding. With this robust infrastructure in place, the department is also able to quickly funnel any funding received to those organizations so there is no delay in providing the services called for in the grant.

Since 1999, DMHAS has been successful in garnering over $153 million in discretionary grants to the state, an average of almost $12 million a year. DMHAS success in garnering discretionary grants makes it a national model, with the state consistently obtaining about equal amounts in discretionary and formula grant funding, ranking it among the top five states with this record.

During the past few months, Connecticut appears to have some successes that have capitalized on such infrastructure-building. In September 2012, it was announced that a Connecticut consortium of community colleges had been awarded $12 million from the Trade Adjustment Act (TAA) to assist veterans, and dislocated and other underemployed workers with training in health and life sciences. The community colleges worked jointly with private employer partners like CURE, Connecticut's industry cluster around bioscience, the Connecticut Hospital Association, and specific hospitals along with three of the workforce development boards in submitting the application.

The TAA funding is jointly funded and administered by the federal departments of labor and education to train workers in careers in health, science and technology or other areas where employers have a need. It is noteworthy that Connecticut received none of the $500 million allocated for this program in 2011.

PRI staff believes there are other opportunities that are being missed because state agencies are not working collaboratively to pursue federal funding. In October 2012, the U.S. Economic Development Administration --along with the National Institute of Standards and Technology, the Department of Energy, the Labor Department's Employment and Training Administration, and the National Science Foundation-- funded 10 public-private partnerships to support American manufacturing and encourage investment in this country. The application process was a daunting one -- 84 pages of explanation for the application process alone, and requirements for matching funds. Connecticut did not submit an application.

PRI believes had there been greater leadership from state agencies like DECD and DOL driving that collaboration with other partners which could have included: the Connecticut Center for Advanced Technology; the community colleges (three of which offer certificates in advanced manufacturing); one or more of Connecticut workforce boards; and private employers like manufacturers of medical devices, many of whom belong to BEACON, an alliance that supports this industry in Connecticut and Western Massachusetts, an application could have been at least submitted.

A more recent announcement of $40 million in available funds came from the same federal agencies for "Make it in America" to support in-sourcing, where companies are choosing to invest and manufacture here rather than off-shore. As Connecticut has long had a strong precision and advanced manufacturing base, as noted above, this should be an area where the state pursues funding opportunities aggressively. PRI staff asked DECD if the state was intending to apply and to date has not received a response.

Best Practice: Infrastructure should include state government contacts for federal funding -- one designee in each agency

- *There should be a readily available list of contacts -- preferably one per agency. The contacts should have broad knowledge of federal funding (and alternative funding) within that agency.*

Finding: Connecticut state government did not have such a list of contacts in place when the federal stimulus funds became available in 2009, and still does not have one in 2012.

Perhaps a list of key contacts in state agencies appears elementary to building a statewide organizational framework around federal and alternative funding. However, there was not one in place when the American Recovery and Reinvestment Act (ARRA) was passed in 2009 providing millions of dollars to states to deal with the sudden economic downturn in 2008. It is difficult to state with any certainty the amount of federal dollars Connecticut may have missed because state government was not prepared, including not having readily available agency contact information, but it is likely that some funding opportunities were missed while the organizational structure to pursue the dollars was formed.

In response to ARRA, Connecticut built an organizational structure around the pursuit of those funds. A website was developed within the Office of Policy and Management that provided a contact within many (but not all) of the major state agencies. The contact person, known as the agency's stimulus accountability officer, was responsible for ensuring the agency was seeking and complying with all pertinent funding opportunities and requirements.

However, once the stimulus funding ended, Connecticut's organizational infrastructure around ARRA did as well. For example, there is no agency contact information around federal funding. Staff in the governor's office is in the process of developing a contact list, but it is not yet complete. When PRI was distributing its electronic survey to state agencies on the study, it had to distribute to department legislative liaisons with the request that they seek the most appropriate person to complete the survey.

As discussed in the previous section, the state of Maryland in 2003 established a grants office (GGO), within the governor's office. The GGO is considered a model for centralized grants information. In a phone interview with the office's executive director, he indicated the contact list was the first task completed upon the office's creation.

Since the development of this contact list for Connecticut was already established for the ARRA funding initiative, PRI staff believes it should require little effort for it to be updated and maintained. Therefore, the program review committee recommends that:

> **A single contact person within each agency, including the Board of Regents, the University of Connecticut, and the UConn Health Center shall be designated by the commissioner or agency head as the federal and alternative funding liaison of the agency or institution. The liaison in each agency should be knowledgeable regarding the identification and application processes for grant activity for the agency. The contact information for each agency should be communicated to the governor's office and OPM and made available on the Office of Maximizing Alternative Revenue's website.**

Each agency's alternative funding liaison should be a staff person at a high level within the organization, so that department personnel recognize the importance of the position. This will help ensure that the liaison's requests or directions are a high agency priority, and that agency

staff will respond accordingly. It is important that the liaison be experienced in the tasks necessary to pursue alternative funding, rather than grants management and administration, which emphasizes a more administrative, fiscal role. These agency liaisons should be the staff who can be contacted to spearhead an agency response when a collaborative, coordinated effort is needed among state agencies and with partner organizations.

Best Practice: Build and maintain relationships with federal agency counterparts and active involvement in national and regional associations

- *Such relationships keep state agencies informed about potential funding opportunities -- both those in federal agencies, but also those with foundations, and other philanthropic organizations.*

- *These associations also provide information about federal policy direction.*

- *Membership and involvement in national associations also can be a source of information about policy direction and funding.*

States that are aware of federal policy goals early on in the funding process can establish a competitive edge. Of course, the national direction would have to fit the state's own policies and objectives it has set for itself. Once that consistency has been determined, the relevant state agencies can begin building or shaping programs to fit the federal models.

On a more specific level, contact and communication with funding agency staff (federal or private) can sometimes give insight into what the funders are looking for in grants application or give feedback on unsuccessful applications so that future requests can be improved.

Finding: the program review committee finds these relationships with federal partners and national associations are well-developed in some areas, while others need to be strengthened. In interviews with staff in agencies successful in obtaining federal grants -- DPH, DMHAS, certain regional planning agencies -- all stressed the importance of this practice. These agencies believe the memberships and networking involved in cultivating and maintaining these relationships in administrative agencies and in associations is a worthwhile investment. For example, Connecticut's commissioner of mental health and addiction services is one of seven members currently serving on the Board of Directors of the National Association of State Mental Health Program Directors.

In many national peer organizations involving state government agencies that administer a federal/state program -- e.g., National Academy for State Health Policy; National Association of State Child Care Administrators; and National Association of State Medicaid Directors -- Connecticut seems to take a passive role, with little participation on executive councils or steering committees.

Involvement in such organizations can be demanding on time, and directors of these programs must balance the commitment of additional participation with the challenges of

administering these programs day to day. However, PRI staff believes that engagement in these types of associations is important to keep Connecticut agencies at the forefront of what is occurring nationally in a particular area or field, as well as to implement national best practices in Connecticut's programs.

Close relationships with federal agency staff can also guide state agencies as they begin planning for initiatives that will at some point request federal funding. Such was the case in 2007 when DSS first began planning for its Aging and Disability Resource Centers (ADRC). One of the invited meeting participants, who helped explain the model, was the acting director for planning and policy development for the HHS' Administration on Aging. In 2009, the state was successful in obtaining the first of several federal grants to plan and operate the ADRCs.

Personal associations with counterparts in other states is also helpful in collaborating around regional projects, with pooled resources, an approach more recently favored by federal funding agencies.

Regional partnerships. Connecticut is an active participant in the New England States Early Innovator Grant under the 2010 Affordable Care Act. The purpose of the grant is to share components of the technology developed in Massachusetts that are consumer-focused, cost-effective and sustainable that can be adopted or built upon to operate the health insurance exchanges.

Another example of partnering across state borders that has produced results is Connecticut's involvement with Massachusetts in the Hartford-Springfield Economic Partnership. While not the direct grant recipient, the group has long advocated for the Hartford-Springfield high speed rail line. In early October 2012, the U.S. DOT and Governor Malloy announced that the Federal Rail Administration (FRA) was releasing almost $121 million to advance the New Haven-Hartford-Springfield (NHHS) line. This was the third of three FRA grants, together totaling almost $191 million, which is to be combined with $174.7 million in state funding. In the long-term, the project should improve mass transit, reduce highway congestion, and spur transit-oriented development. In addition, in the short term, once the project is underway, it is anticipated to create several thousand jobs.

The number of trains will increase from the current 12 per day to 34, and because of the high speed of the trains, travel time will be reduced significantly, and should make the option attractive and competitive to travelers. The Connecticut commissioner of transportation indicated the project (and its federal funding) is the result of a strong partnership with AMTRAK, freight railroads, and members of the New England Compact, which represents the New England states, New York and Quebec. The NHHS corridor is part of the long-range vision (for 2030) developed and endorsed by Compact.

The Connecticut state transportation commissioner is also a member of the American Association of State Highway and Transportation Officials (AASHTO), as is each state's head transportation official. Commissioner Redeker is also a regional representative on the board of AASHTO. However, in other areas that may shape transportation policy at the national level, and be multi-purpose in its approach to projects and funding -- rather than transportation only --

Connecticut does not appear to take an active role. One example is the State Smart Transportation Initiative (SSTI). The SSTI consortium currently includes 16 state transportation departments, and is funded by the U.S. Department of Transportation and the Rockefeller Foundation. Created in 2010, SSTI's mission is to promote transportation practices that advance environmental sustainability and equitable economic development, while maintaining high standards of governmental efficiency and transparency. Connecticut is not a member.

There are benefits to being a member of consortia of states like SSTI, including the technical assistance it provides to participating transportation agencies and guidance to the broad transportation community as they "reorient their practices to changing financial and social demands."[25] In addition, it is probably worth noting that, as a funder, the U.S. DOT is promoting the policies and goals of the initiative, and may well look at a state's participation in the consortium when reviewing proposals requiring funding. There may not be a direct link to belonging to associations such as SSTI and success at obtaining federal funding (only 6 of the 16 member states received more than their expected share in transportation funding). However, the benefits to such networking may pay off in other ways, such as more efficient use of grant funding, or early peer input on a project proposal.

Best practice: An overarching set of strategic policies that are driving a state's agenda – for funding and revenue seeking

- *This has been likened to establishing a business plan or model and then seeking capital to fund it.*

"Every good financing plan begins by answering the fundamental question 'financing for what?' and then aligns specific funding sources and financing strategies with the program components that are to be financed and the projected fiscal requirements."[26]

Connecticut does not have a state long-term plan or process that establishes overarching goals, priorities, and objectives, as a number of other states do. In 2007, the Program Review Committee issued a report finding that the state had not focused on such planning in more than a decade, and that where state planning was being done it was decentralized, single-policy planning featuring a compartmentalized, fragmented approach.

Other states like Virginia, Washington, Maryland, and more recently Massachusetts, have established policy goals for the state. Table IV-2 lists Maryland's 2012 strategic policy goals and the numbers of grants received aligned with each goal.

[25] State Smart Transportation Initiative (SSTI) website.
[26] *Thinking Broadly: Financing Strategies for Comprehensive Child and Family Initiatives, The Finance Project,2002, p.11*

Table IV-2 Maryland Governor O'Malley's 15 Strategic Policy Goals --2012		
Goal #	Goal Description	# Grants Addressing this Goal
1	Create, Save or Place Residents into 250,000 Jobs	45
2	Improve Student Achievement/Career Readiness by 25%	67
3	Increase Skills Training by 20%	49
4	Reduce Violent Crime by 20%	31
5	Reduce Crime Against Women/Children by 25%	31
6	Make Maryland a National Leader in Homeland Security	36
7	Restore the Health of the Chesapeake Bay	61
8	Double Transit Ridership	8
9	Reduce Per Capita Electricity Consumption by 15%	9
10	Increase Maryland's Renewable energy by 20%	9
11	Reduce Statewide Greenhouse Gas Emissions by 25%	14
12	End Childhood Hunger in Maryland by 2015	22
13	Establish Best in Nation Health Info Electronic Records	3
14	Reduce Infant Mortality by 10%	31
15	Expand Access to Substance Abuse Services by 25%	15
Total		**431**
Source: Maryland's Grants Office 2012 Annual Report		

In Massachusetts, Governor Patrick, with legislative approval, in 2012 statutorily established the Office of Commonwealth Performance, Accountability and Transparency (CPAT) to "execute nation-leading strategies for improving performance and transparency, maximizing federal grants".[27] The CPAT is responsible for working with Massachusetts' executive departments to develop strategies to achieve the four major priorities the governor set out for the state:

- job creation;
- closing the educational achievement gap in schools;
- containing health care costs; and
- reducing youth and urban violence.

Under each of these priorities a comprehensive strategy was developed working across state agencies *and with external stakeholders* on how to approach each of the four priorities. To support each strategy, targeted investments were identified that could help. (See Appendix B for a further description of how Massachusetts is proceeding with this initiative.)

While in some ways the budget process does establish Connecticut's spending priorities, the budget is not a substitute for stated major policy goals the state wants to accomplish. If those goals were more clearly articulated -- with a directive that all state agencies are to work together,

[27] Governor Patrick's FY 2013 budget recommendation for the creation of the CPAT

and with external partners, to achieve them -- funding efforts could be more targeted with potentially improved results.

The current administration in Connecticut has certainly charged agencies to be more aggressive in pursuing federal dollars. Testimony received at the program review committee public hearing in June, interviews program review staff have had with staff in larger agencies, and the appointment of a key administration liaison in Washington all signal that pursuit of federal funding is a state priority. However, seeking federal dollars without being able to tie the funding requests to a key state policy goal may not be the most successful approach.

According to those involved with successful and unsuccessful applications, it is important that the goals, as well as the policies and infrastructure to achieve them, be established prior to seeking the funding. PRI staff spoke to New Haven education administrative staff involved with that city's $53 million Teacher Incentive Fund (TIF) multi-year grant. They attributed the success in garnering that funding in large part to the fact the grant fit well with the strategic goals that had been developed for the city's schools. Further, the grant application indicated the city had already been partnering with the teachers' union to put in place some of what the grant would help accomplish.

Conversely, one of the reasons cited for the state being unsuccessful in its bid for Race-to-the-Top (Round 1) funding from the U.S. Department of Education was that the grant was sought prior to the state having set the educational priority and framework for what the funding would achieve.

State legislation around educational reform was passed in 2012, with substantial state funding aimed at turning around low-performing schools and districts and addressing Connecticut's achievement gap. Connecticut continues to receive federal funding through school improvement grants to turn around schools, and early in December 2012, it was announced that Connecticut is one of five states -- along with Colorado, Massachusetts, New York, and Tennessee -- that will participate in a pilot to extend school hours considerably. The project, which is partially funded by the Ford Foundation and the National Center on Time and Learning, will use a mix of that funding along with federal and state monies to add 300 hours of instruction and enrichment activities to the school year. In Connecticut, seven schools in three districts will participate in the project.

This initiative combines all the factors of what PRI staff believe funders are looking for in sponsoring a project:

- collaborative (preferably public/private) activity around an already-established state priority;
- support and endorsement from leaders at the top levels (like the governor, Secretary of the U.S. Department of Education);
- established consensus among participants (i.e., buy-in from key stakeholders like teacher unions, school districts, parent groups);
- resources already devoted to accomplishing the priority; and
- leveraging already existing resources to bring in new ones.

Further evidence that these partnerships are crucial to attract alternative revenue is the $5 million three-year grant award from the Bill and Melinda Gates Foundation to the school system in Hartford. The grant is predicated on the Hartford district schools and charter schools working collaboratively and innovatively, to deepen the partnership of the two sectors. The three-year Gates grant, the largest of seven awarded to urban schools across the country is expected to fund a leadership academy in which the Achievement First charter network will train and mentor future Hartford public school principals during a yearlong residency.

Best practice: Use of technology in (and across) program areas that provide efficient support and administration -- from eligibility determination, program data, financial and reporting information

A new method of federal grant funding is through performance bonuses, when a state administers a program well and meets certain federally set performance criteria. Often these require strategies involving technology. PRI staff reviewed several reports compiled by the Federal Funds Information for States (FFIS) in the use of these bonuses, and the results indicate Connecticut is having a difficult time meeting those performance measures and garnering these federal awards in many areas.

Far from being a "best practice state" in the use of technology, Connecticut's systems have been cited repeatedly as being woefully inadequate in many areas. The capacity of the systems to support services in many programs was barely able to keep pace earlier in the decade. However, since the recent recession began, with huge increases in caseloads, the systems have reached breaking point.

Connecticut has been slow to move away from paper applications, especially at the Department of Social Services. With decreasing staff, the result has been lost applications, frustrated clients, and negative press citing a dysfunctional agency, unable to perform its most basic service functions. Further, a federal court decision was issued in early December 2012 in favor of the plaintiffs, who brought a suit against DSS seeking injunctive relief because of the agency's failure to timely process applications for the Supplemental Nutrition Assistance Program (SNAP), formerly food stamps.

Since many of those services provided by DSS are either totally federally funded or federally reimbursed, this poor performance impacts the revenues received from the federal government. In the case of the SNAP program, the state is negatively impacted in two ways: 1) the direct assistance to the clients, which is totally federally funded; and 2) jeopardizing the federal reimbursements for 50 percent of administrative costs because of errors and delays.

The state typically has 30 days to determine eligibility for a SNAP applicant; DSS has consistently failed to do that for a great percentage of clients, according to documents in the legal suit. For every applicant whose eligibility is delayed means he or she is not receiving the federal assistance to buy food.

The delays happen in a fairly high percentage of SNAP cases. In 2008, only about 60 percent of SNAP applications were being processed timely, and DSS had to submit a corrective action plan to the U.S. Department of Agriculture. Timely processing remains a chronic problem. But it is not the only administrative issue. The USDA measures states' performance of the SNAP program in four areas: payment accuracy; negative error rate; participation rate; and application processing times. A select number of states receive bonuses each year based on best performance by category or for most improvement. The bonuses are based on a state's caseload, but typically are at least $1 million. Connecticut is one of only nine states never to have received a performance bonus for its administration of the SNAP program between FFYs 2006 and 2010. In fact, Connecticut is one of seven states on the FFY 2011 sanction list.

Twenty-five states have electronic application filing for SNAP eligibility determination. Connecticut still relies on filing a paper application and processing, with greater risk of errors occurring, and providing inferior service to applicants and clients. In addition, because the SNAP program is 100 percent federally funded each eligible person who is delayed in receiving benefits translates to less federal assistance to those clients, and the state overall.

The most recent data comparing Connecticut's SNAP participation rate with that of other states was for 2009, and indicated a participation rate of 75 percent, ranking it 23 among the states.[28] The participation rate is a calculation of the number enrolled in SNAP as a percentage of the population estimated to be eligible. It is difficult to state with any certainty whether Connecticut's participation rate has increased since then, as estimates of the eligible population are approximations. While the state's caseload has increased considerably -- DSS caseload figures for October 2012 indicate approximately 390,000 SNAP recipients -- determining how that number relates to the eligible population is hard.

In addition to online application submission, many states have chosen options allowed under the SNAP program that would appear to ease the administrative burden on the agency and the clients. For example many states offer transitional benefits (19) and simplified definition of income (43) and resources (37); Connecticut offers none of those. Twenty seven states have call centers for the program, and 20 states allow document imaging; Connecticut does not have either. In addition to administrative options offered, some states like Massachusetts have expanded the eligibility criteria to include higher income groups -- 200 percent of federal poverty level rather than 185 percent.[29]

While DSS has hired additional staff, the agency is still is slow in processing applications for assistance. The problem lies largely with the eligibility management system, which is a mainframe system that has been over-loaded for many years. The department is currently in the midst of a wholesale technological upgrade that the state anticipates will be eligible for federal funding under the Affordable Care Act. However, because the system is not yet operational, and since DSS has had chronic deficiencies in timely, efficient processing of applications, it would be problematic to extend SNAP program eligibility to additional groups at this time.

[28] *Reaching Those in Need: State SNAP Participation Rates in 2009,* Mathematica Policy Research (for the USDA Food and Nutrition Services) December 2011.
[29] *SNAP State Options Report,* eighth edition, USDA Food and Nutrition Services, June 2009.

However, the Department of Social Services did receive $5.2 million in bonus payment for enrolling uninsured children in Medicaid. The 2009 Children's Health Insurance Program Reauthorization Act (CHIPRA, formerly CHIP) provided an initial appropriation of $3.2 billion nationwide for fiscal years 2009 through 2013. If the state exceeds its enrollment target and also meets five of 8 performance measures, it receives a bonus. Connecticut was not successful in either 2009 or 2010, but was one of the 23 states that shared in $296 million in CHIPRA performance awards in FFY 2011.

Technological issues are not isolated to the social services area. The U.S. Department of Labor in June 2011 announced a new grants program to assist states in developing strategies to reduce improper payments in the Unemployment Insurance (UI) program. In order to receive funds, states must implement certain actions, some technology-based. In FFY 11, almost $64 million was allocated nationwide to 38 states, and in FFY 12, slightly more than $67 million was allocated to 30 states in FFY 12. Connecticut DOL received nothing in these grant areas.

Because information technology is expensive, U.S. DOL funded only consortia of states to upgrade IT systems for unemployment insurance programs, another example of where federal agencies are driving cross-state collaboration. In FY 2011, $128 million in grants funded three separate consortia involving 11 states, and in FFY 2012, eight states in three groups shared in almost $93 million. Connecticut did not receive any of this combined IT funding; it is not clear whether the state was part of a group that was unsuccessful in obtaining funding, or DOL did not participate in submitting an application.

Best practice: Successful past performance in administering and outcomes of grants has an impact

- *Federal granting agencies want to see that grants are administered efficiently, that the project or services are delivered on time, and that grant documentation and reporting is provided as required.*

- *Often, grants are awarded in phases, and successful completion of first phase greatly advances or impedes future success.*

- *Increasingly, grants and other funding are focusing on outcomes, and basing future funding on successful results.*

While the scope of the committee study does not include an examination of the outcome, impact, or results of any particular project, grant or program, this does not mean that measuring success or outcomes is not a valuable practice. First and most basic, is whether the grant is administered efficiently. If a grant is awarded and the funds are not expended as stated in the application, it reflects poorly on the grantee, the grantor, and the program. Past performance of the program can affect congressional reauthorization or allocation of funding.

Past performance definitely impacts a state's ability to secure future awards. In addition, as discussed previously, performance can also influence ongoing federal grants as federal

agencies not only issue penalties for poor performance, but reward states with bonuses based on performance.

The Department of Mental Health and Addiction Services attributes much of its success in garnering competitive grants on its performance record with federal funding agencies. DMHAS has developed a reliable community-based infrastructure, so the department is also able to get the money out to the relevant partners quickly so they can provide the services called for in the grant. Both DMHAS and its community partners have become familiar with the reporting, auditing and evaluation requirements and therefore administrative compliance is not as burdensome as with organizations becoming acquainted with them for the first time.

PRI also heard from staff interviewed in a number of state agencies that administrative measures to apply for and implement a federal grant can be overly bureaucratic and burdensome, especially if hiring a state employee is involved. The time factor, coupled with the fixed costs of state services can also be an issue. For example, fringe benefits for state employee (including the portion of fringe for unfunded liability to the state employee retirement system) now account for about two-thirds of the average salary. Where federal grant dollars coming to Connecticut are spent on programs that are reliant on paying state employee salaries -- for example, the administration of the unemployment compensation (UI) program -- it means fewer staff to implement the programs as more dollars must be spent on employee benefits and other fixed costs.

Thus, in many areas, nonprofits or other nongovernmental entities can provide the service at a lower cost, and the state agency serves as a pass-through, administering the program funding and overseeing the program at the top level.

Other administrative obstacles cited were obtaining approval of contracts, and receipt of letters of support or memorandum of understanding (MOUs), on a timely basis. PRI staff concludes that the more of the process that can be done prior to application, the better. The newly created Office of Alternative Revenue Maximization should assist on easing or expediting these steps, and where possible develop templates or electronic documents that would also improve and simplify the process.

Best Practice: Agencies need to be creative about how to leverage dollars from all sources

- *Agencies should not narrowly define what can be considered a funding or an in-kind match.*
- *Agencies should use all opportunities to leverage federal funding as the match for other grant opportunities.*
- *State agencies should work with community-based organizations to identify areas where the combined activities of, and private funding to, these organizations might be used to meet state eligibility requirements for new or additional grants or other funding.*

- *Agencies should be exploring alternative methods of financing like social impact bonds or human capital bonds, and performance contracting.*

- *Agencies should explore strategic use of waivers.*

Finding: the program review committee finds that Connecticut state agencies are not aggressively identifying all opportunities to leverage funding, such as what can be used as "match" or in pooling resources from several sources to demonstrate matching

PRI staff concludes the mindset in many state agencies about funding streams, pooling funding, definition of what qualifies as matching is traditional and follows historical categorical funding (by population). Funding tends to be very siloed, fragmented, and defined by program areas, even when the programs are intended to serve the same populations -- for example, children living under the federal poverty, elderly, or clients with disabilities.

A prime example of adhering to traditional program definitions to the state's financial detriment was again the case of federal stimulus TANF Emergency Contingency Fund. In 2009, each state was allocated half its annual TANF block grant in this special ARRA fund. There were three different eligibility components to the program -- 1) caseload-based increases and related expenditures; 2) increased non-recurring expenditures related to the recession; and 3) increased expenditures for subsidized employment. DSS, as the lead TANF agency, initially only sought funding for the first, most traditional component, the one linked to caseload. By the time advocacy groups and others had convinced the agency that it was eligible for other component funding, time had elapsed, and the state missed the deadlines for applying for its full allocation.

PRI also believes that an opportunity may be missed in using allowable federal funds to leverage or "match" other funds to maximize other funds, even other federal dollars. A prime example is funding the state receives through the community development block grant, as explained in the figure below.

Figure IV-1. Community Development Block Grant

Federal Funding: For FFY 10, an estimated $4.4 billion, with $2.8 billion allocated to entitlement communities, $1.2 billion to non-entitlement communities via states. The remaining portion was used for CDBG set asides.

Type of Program: Formula grants to cities and suburban areas, as well as to states, which pass through funding to less populous cities and towns, also known as the Small Cities Block Grant program.
Agency with Jurisdiction: U.S. Department of Housing and Urban Development (HUD), Office of Community Planning & Development.
Match Required*: No match or maintenance of effort requirement. Moreover, in many cases, CDBG funds may be used as the "non-federal match" for other federal funding streams.*

Federal Regulations (CFR 570-201 (3) (g)) state an allowable expenditure of CDBG funds may be:

payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part

of activities assisted under this chapter;

In Connecticut, the state agency responsible for the Small Cities Block Grant is the Department of Economic and Community Development. In FY 10 Connecticut received $13,342,837 and in FY 11 received $11,717,789. PRI staff asked DECD whether any of the grant monies were being used. The department responded *DECD has not, to date, used our Small Cities CDBG funds to leverage other funding opportunities.*

PRI did not survey or interview the large cities in Connecticut, considered the entitlement grantees under the CDBG program, to determine whether any of those communities are using the CDBG funds to leverage other grants.

PRI believes that even if one or two percent of the Small Cities grant amounts could be used as the "match" to apply for other federal grants that would be a considerable amount.

PRI staff believes that there are other opportunities where the state could use new state funding as the required match required for eligibility for federal grants. Over the past three years, Connecticut has passed legislation to help create jobs and decrease the chronic unemployment of the recession. Examples are new funding the state has directed over the past two to three years to subsidize jobs, especially to the long-term unemployed and veterans.

In addition, the state is funding the Innovation Challenge, which helps Connecticut businesses solve pressing technology challenges with solutions that have global market potential. The program supports an open innovation environment by bringing together Connecticut's small businesses and universities, which will collaborate on a solution to one of four technology challenges posed by larger businesses. The program administered by Connecticut Innovations (CI), Inc. will award up to $150,000 each to as many as five teams to offset the costs of advancing their projects; the participating small businesses must match CI's contribution.

In addition to direct funding, the state has provided tax credits to spur economic growth, including angel investing[30]. PRI believes that all of these programs could be used to demonstrate that state policies and funding are already in place, and apply for additional federal funding in the employment and training and economic development areas.

Alternative Funding

Pursuit of federal grants has always been where state agencies have focused their efforts, as that has historically been the greatest source of alternative funding to state programs. Program review staff believes the pursuit of those federal grants should not be diminished, only that they should be augmented by identifying and seeking other sources of funding and financing as appropriate to the program and state priorities. A couple of examples are discussed here.

TIFIA. While not a type of federal grant, TIFIA provides a method of financing for transportation projects that might be an alternative to more traditional state bonding. TIFIA is a federal financing mechanism authorized under the Transportation Infrastructure Finance and

[30] Angel investors are typically wealthy individuals who provide capital to entrepreneurs that sponsor innovation prior to involvement of venture capitalist. A tax credit program to support this type of investment was legialtively enacted in 2010.

Innovation Act (TIFIA). Begun in 1998, funding of the program has expanded with $750 million available in 2013 and $1 billion in 2014.

The TIFIA program provides federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance transportation projects of national and regional significance. TIFIA credit assistance provides improved access to capital markets, and flexible repayment terms, typically 35 years. Further, TIFIA potentially offers more favorable interest rates than can be found in private capital markets for similar instruments; currently 2.78 percent. TIFIA can help advance qualified, large-scale projects that otherwise might be delayed or deferred because of size, complexity, or uncertainty over the timing of revenues. Many surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. The TIFIA program indicates that each dollar of federal funds can provide up to $10 in TIFIA credit assistance - and leverage $30 in transportation infrastructure investment.

Social impact funding. Other newer forms of financing, like Social Impact Bonds, or human capital performance bonds could offer opportunities that Connecticut might want to explore. Massachusetts, New York, and Minnesota are in various stages of using these using these financing instruments. However, these are complicated tools that involve a great deal of collaborative effort and planning. In a recent symposium held at the legislative office building on these mechanisms, experts cautioned that these should not be viewed as a panacea.

The tools are not simple and certainly would not be conducive to funding smaller programs. Some of the elements in developing these types of financing tool include:

- demonstrating to private investors how they can receive a return on their investment -- or in case of pay-for-performance contracting, convincing private providers to participate;

- ensuring the transparency of the project, including the estimated savings and where they will be realized, and

- developing and maintaining the evaluation tools and data systems necessary to back these new financing mechanisms.

Each of these steps is time- consuming and can add substantially to the up-front costs of a program. On the other hand, the objective of measuring program results required by this type of financing is that only those that show positive outcomes would be continued. Private investment may force this type of rigorous results-based accountability, which may prove to be well worth the additional effort.

The panelists at the alternative financing symposium also indicated that these efforts take ongoing work, not just the introductory meeting around setting the funding mechanisms in place. Likewise, because there is so much effort into putting one of these private investor-sponsored programs in place, the instruments appear most appropriate for broad scope project, to achieve a major state priority.

Performance contracting. Another alternative source of funding relies on paying off a contractor with the realized savings of the program being implemented. One area where the state has only recently begun using performance contracting is in the energy efficiency area. Recommendations -- originally proposed by the Legislative Program Review Committee in 2003 and made several times since -- that the state engage in this type of financing to underwrite energy efficiency projects in state buildings had historically been resisted by the agencies responsible. Evidence in the private sector, and in local government in Connecticut and elsewhere document that the savings realized by reduced energy expenses more than pay for the work.

However, legislation enacted in 2011 restructured the state's energy agencies and created a new Department of Energy and Environmental Protection (DEEP). While there had been legislation requiring energy performance contracting since 2003, the 2011 legislation established a framework for state agencies and municipalities to engage in energy performance contracting. DEEP has taken steps to support this framework and other operational improvements. A helpful guide for a standardized energy-savings performance contracting process municipalities and state agencies could use currently is available on the DEEP website. The guide is one of several initiatives undertaken through the "Lead by Example Program," a partnership between DEEP and the Department of Administrative Services aimed at promoting energy efficiency and conservation in state buildings.

Progress has also been made toward ongoing comprehensive analysis of state energy use. DEEP and DAS announced in April 2012 that the state had selected a nationally recognized energy performance consultant (EnerNOC) to help agencies reduce energy use and lighting, heating, and cooling costs at up to 100 state facilities through 2014. EnerNOC will install a new monitoring system that allows facility managers to identify and address energy inefficiencies associated with building operations (e.g., lights left on overnight, too high or low building temperatures, air conditioning of unoccupied spaces). The system will also provide the data that document savings, so that perhaps the performance contracting can be used as an alternative financing mechanism, or would be feasible as a leveraging tool in other areas.

Use of waivers. As mentioned in Section One, formula grants, including funding of entitlement programs, account for about 75 percent of the federal grant funding Connecticut receives. Thus, even if Connecticut were to be much more aggressive in pursuit of competitive grants, it would not alter that heavy reliance on those programs. Further, while Connecticut may not be able to change the allocation formula on which the grants are based, there are opportunities to capture additional revenues through the approval of waivers to certain programs.

Waivers can be for a variety of factors including: populations the program serves; eligibility criteria; the types of services required; where the services might be delivered; or standards for achievement a program requires. The use of waivers to loosen strict program requirements or eligibility standards can bring in increased revenues, especially for services the state is already paying to provide. However, this must always be weighed against the increased demand and costs for the service. This recently occurred when the population previously served by SAGA became eligible for HUSKY D, (Medicaid Low Income Adult (LIA)). The caseload for that population went from fewer than 50,000 in July 2011 to more than 80,000 in October

2012. The state recently submitted a waiver request to the Centers for Medicare and Medicaid (CMS) to impose an asset test to the LIA eligibility requirements.

Connecticut has long had waivers approved for its Medicaid program, most to offer services in the community to specific populations rather than in skilled nursing homes. Table IV-3 lists the current waivers to the state's Medicaid program.

Table IV-3. Current Waivers to Connecticut Medicaid Program

- CT Home Care for Elders
- Personal Care Assistance Waiver
- Acquired Brain Injury Waiver
- DDS Waiver for Home and Community-based Services, respite care, employment and training services, and case management
- Money Follows the Person (to move people out of nursing homes)
- Katie Beckett Waiver
- WISE (mental health Medicaid waiver)

Source: DSS

Connecticut is one of 33 states that have received full or conditional waivers from some of the educational and testing requirements of the No Child Left Behind (NCLB) law. While the issuance of the waiver may not directly translate to increased funding, it should avoid punitive actions taken against schools not meeting the federal standards, as well as allow the state greater flexibility in where federal funds might be spent.

The federal Administration of Children and Families (ACF) has allowed states to seek waivers of Title IV-E, since 1997. The Title IV-E program provides funding for children in foster care; the financing formula is based on the number receiving that care. The waivers allow states flexibility in using the funding for other prevention programs aimed at reducing the number of children in foster care. The state Department of Children and Families has made strides in reducing the number of children placed in foster care, a decline of 20 percent in the past five years. However, the federal reimbursements for the program have decreased by almost $50 million over the same period. Thirteen states have been approved for waivers, but Connecticut has not yet sought a waiver, and missed the deadline for this federal fiscal year.

The optimal time for Connecticut to have sought a waiver -- when the state had a high number in foster care and was being reimbursed accordingly -- has been missed. A meeting was held in August 2012 in Hartford convening child welfare experts, federal ACF administrators, and advocates around this issue. It was pointed out that, ironically, the longer Connecticut waits to seek a waiver, the less federal funding will be available to support programs through a waiver.

In July 2012, ACF provided guidance to states on applying for waivers to the TANF program allowing states to test new ways of achieving better employment outcomes for needy families. The guidance indicates that states that are granted waivers will have greater flexibility

on how work requirements, and work participation are defined, administered and measured, but not for the time limits or other TANF assistance restrictions.

The ACF guidance also outline examples of demonstration programs that the states could implement with a waiver, including changes to participation rates, or efforts to better improve collaboration with workforce and/or post-secondary education systems that combine learning and work. Here too there would be no additional federal funding, but it would allow states more flexibility in using its TANF block grant to fund these demonstration programs. The waiver would also require an evaluation plan with performance measures to track and monitor outcomes. PRI staff believes this would provide an ideal opportunity to use these funds to better coordinate and collaborate with the contractors for SNAP employment and training programs.

The agency's efforts to loosen the rules are being opposed in Congress with bills to block HHS from approving any waivers to the work requirements of TANF, so it is unclear at this point whether the waivers to the TANF program will be authorized.

At the state level, the Office of Policy and Management was appropriated $800,000 in its FY 13 budget to fund its revenue maximization initiative. The monies were to hire consultants to collect revenue of $27 million in federal Medicaid recoupment related to matching claims in DMHAS for past fiscal years. In late November 2012, as part of OPM's accountability report to the legislature, the agency indicated it had secured a consultant (although the consultant has not yet been named) but discussions were ongoing as to the contractor's scope of work.

The accountability report includes some of the revenue maximization efforts under development:

- Serving existing clients of the departments of developmental services, mental health and addiction services, and children and families under autism waivers, allowing the state to receive federal reimbursements for services currently being provided at 100 percent state cost;
- Billing for community-based care for offenders in the Department of Correction, allowing the state to receive federal reimbursement for services that are currently being totally state-funded;
- Developing waivers that will allow the state to claim federal reimbursement for services rendered in a private institutional setting at 100 percent state cost;
- Developing waivers that will allow Medicaid reimbursement for certain behavioral/rehabilitation services being provided by the Department of Mental Health and Addiction Services that are currently at 100 percent state cost;
- Billing for costs in several state agencies associated with the administration of Medicaid services;
- Providing nursing home care for individuals currently being cared for in infirmaries in the Department of Correction and Connecticut Valley Hospital. Providing these services in the community will permit reimbursement for care that is currently at 100 percent state cost;

- Amending the waiver for individuals with acquired brain injury to allow Medicaid reimbursement for services supported by DMHAS' state-funded TBI Community Services account;
- Accrediting state operated Psychiatric Residential Treatment Facilities (PRTFs) to make services provided there Medicaid reimbursable.

The OPM report cautions that while much effort goes into maximizing revenue, equal or greater effort goes into preserving existing sources of federal reimbursement. OPM indicates that CMS has strengthened its compliance activities, resulting in significantly greater scrutiny of all state claims. Department of Social Services staff and impacted state agencies have experienced significantly increased time and effort explaining and justifying revenue items in order to sustain claims worth hundreds of millions that had once been considered "routine."

PRI staff believes that the recommended Office of Maximizing Alternative Revenues should serve as a facilitator between the contractor and the agencies, coordinating efforts to optimize results.

Best practice: Allowing adequate time to prepare and submit a high quality application

One of the most frequently cited "hampering factors" by state agencies in response to PRI's survey was the quick application turnaround time. From when a notice of funding availability is released and the deadline for application submittal can sometimes be as compressed as 60 days.

Obviously, this is not a lot of time. Interviews with grant writers indicated that a compressed timeframe is one of the greatest hurdles in applying for a grant. It can result in rushed preparation, inadequate supporting documentation, and inattention to detail. According to the grant writers, granting agencies usually can easily spot applications submitted at the last minute.

Another issue for application preparation and submission can be technology compatibility. Most grant applications must be electronically submitted. Grant writers related experiences to PRI staff where, after weeks or months of work, a technological problem (e.g., incompatible software, or an out-of-date password or number) had arisen in the last hours before application submission -- causing an applicant agency to miss the deadline.

To lessen the chance of last-minute mishaps, much of the preparation work needs to be done beforehand. These tasks might include: development and analysis of demographic and budgetary data; and execution and review of necessary interagency agreements and other legal documents. Completion of these steps will make for a better-written grant application and allow for adequate review and revisions if necessary, as well as ensure methods of submission have had a trial run and will work smoothly.

PRI staff believes that the recommended state Office for Maximizing Alternative Revenues should be not an extra step in the grant review process, but rather as facilitator,

ensuring ways that these tasks can be performed smoothly with cross-agency coordination and cooperation, and carried out in an expedited fashion.

Best practice: Successful grant writing requires knowledge of the particular program area

As discussion in this section clearly points out, revenue maximization is not as simple as just writing a grant. Most of the leg work and infrastructure building necessary in the current federal grant environment must be well-developed before an application is ever made.

However, once it gets to the grant-writing stage, the approach must be a strategic one. G Interviews, the literature, model states (e.g., Maryland) and responses to the PRI survey, all informed the committee staff that *the grant writing function is not generic and a "one size fits all" approach will likely not produce good results.*

First of all, grant writing almost always demands a deep knowledge of the program area to be successful. There is often language, terminology and concepts that are specific to certain program areas with which only program staff in that area are familiar. Staff who wrote a successful grant in one area may be totally lost and overwhelmed by another grant application process.

Rather than forming a generic grant writing unit, PRI believes:

- The decision on how the grant application should be written should be left to the lead agency in the areas where they have had vast experience in the program -- this is especially the case with formula and block grants, where the submissions are similar from year to year, and are not competitively based.

- Agencies should be given technical assistance in grant-writing on an ongoing basis by the Office of Maximizing Alternative Revenues (OMAR). The office should consult agencies about what their needs are and bring in the resources (from other state agencies, other partners) to help provide the technical assistance.

- If the competitive grant award being sought is large enough, and the state decides to pursue the opportunity, and the lead agency feels it does not have the grant writing capacity, a couple of options could be pursued. OMAR, in consultation with the agency, could assist by bringing staff from another department with grant-writing skills and talent together with staff experienced in the program to do the grant jointly. Another method is to hire an outside consultant with experience in that particular grant application area. It is possible to hire grant consultants that will work on a contingency basis, where they are only paid if the grant is awarded.

- The decision on grant applications should be done on a case- by-case basis. Factors that should be considered are: the type of grant being sought, and whether it is a routine submission; the experience in the lead agency; the potential amount of the

award and the return on investment; the time pressures; whether the talent can be borrowed from another agency; or whether to contract out for expertise.

APPENDICES

Appendix A

Data Issues and Methodology

Two major sources of federal revenues are used in this study, the Consolidated Federal Funds Report and USASpending.gov.

Federal Sources of Grant Expenditure Data

Consolidated Federal Funds Report. The Consolidated Federal Funds Report (CFFR), created by the United States Census Bureau, was a comprehensive listing of all federal expenditures to states including information on grants, procurement, and direct payments to individuals. The reports were published yearly and would include detailed information on the most recent federal fiscal year and more basic summaries of previous federal years. Information was broken down by state, funding type, subject matter/federal super agency. These reports included rankings of states by per capita funding levels.

The underlying CFFR data was created using data from several different federal agencies and systems, including: the Federal Assistance Award Data System; the U.S. Department of Defense; Federal Procurement Data System; the Office of Personnel Management; and the U.S. Postal Service, as well as the data available within the Census Bureau. Electronic databases of CFFR information were available for FFYs 2000 - 2010. The databases provided information aggregated by the CFDA program number and the location of funding recipients (i.e., state, county, congressional district, city), but did not disclose recipient types (e.g., state government, local government, non-profits) or names. As such, it was not always possible to tell whether multiple recipients received funding for the same program within a location.

The Census Bureau also created a related document, Federal Aid to States, which limited the CFFR information to grants to state and local governments. The program, and related documents, was terminated after FFY 2010, in part because more comprehensive funding information was being made available on the website USASpending.gov. The termination of the CFFR program meant that information for years beyond FFY 2010 were not available for presentation.

USASpending.gov. USASpending.gov is the current source of information for federal expenditures. The website was launched during FFY 2008 (December 2007) and provides federal expenditure data from FFY 2001 through the present. Expenditure data is uploaded to the database by federal granting agencies.

Besides the information found in the CFFR data, USASpending.gov includes information on specific recipients (e.g., recipient name, recipient type). There is also summary information regarding individual funding cases (i.e., a transportation grant may include the name of the infrastructure project being funded). USASpending.gov provides separate databases for grants and procurement.

Program review committee staff analysis of data previous to FFY 2009 reveal that much of the expenditure data is incomplete. It is likely that the accuracy of information for the years after the program began (i.e., FFY 2009 and onward) are a higher priority than reiterating historical data, which was summarized in the CFFR.

USASpending.Gov is the primary source of federal funding information from FFY 2011 to the present. While there is information available for FFY 2012, it was largely incomplete and subject to multiple revisions as this report was being written; hence, program review staff did not include 2012 data in the report.

Catalogue of Federal Domestic Assistance. Both the CFFR and USASpending.gov relay on program information from the Catalogue of Federal Domestic Assistance (CFDA). The catalogue, primarily provided online as the report is several thousand pages, provides detailed program information on over 2,000 federal aid to state programs, including a program identification number (PROGID). This study relies heavily on information contained in the CFDA to determine the nature of individual grant programs, including the grant type (i.e., formula, block, project, cooperative agreement) and eligibility requirements.

Differences between federal funding sources. The USASpending.Gov listed amounts for all federal grant funds and for Connecticut's share of those funds are consistently lower than the same year's amount in the CFFR. The differences indicate underreporting of funding on the USASpending.gov website, especially in the years prior to FFY 2009. While the totals differ between the two sources in their common years, relative levels of funding to states and the state rankings appear to be similar.

Use of the USASpending.gov, despite its known flaws, was necessary in order to analyze grant recipient information. When possible, PRI staff use USASpending.Gov data from 2009 through 2011 to illustrate recent trends and maintain accuracy. High-level summaries of long term trends rely on CFFR data. Because of the differences in total spending levels, it would not be accurate to compare older CFFR data to more recent USASpending.gov data.

Other Considerations

As mentioned in the report, the three-year time frame of the data available from USASpending.gov may be too short to establish long-term trends. The overall validity of the time frame can be further questioned as several major factors, largely specific to this time frame, are in play, including: the influx of federal stimulus and recovery funding (i.e., ARRA), on-going nationwide economic concerns, changes in Connecticut's executive branch administration, and current federal efforts to address federal fiscal policy.

Connecticut reporting of federal funding.

Some information on federal grants to Connecticut state government is contained within the state budget. However, according to the federal grant expenditure sources listed above, the state is the primary recipient of substantially more funding that is reported in the state budget (i.e., over $6 billion from USASpending.gov for FFY 2011 versus $4.2 billion for state FY

2011). Some discrepancy is expected because of the differing fiscal years, but it appears that a large share of the difference is due to the state receiving and passing-through money to secondary recipients, which is not included in the state budget.

The state budget is primarily concerned with budget appropriations, not necessarily with the tracking of revenue sources. One agency that does track federal revenues by grant type is the Office of the State Comptroller. Included in the annual Report of the State Comptroller to the Governor are Schedules C-7 (grants except transportation) and C-8 (state transportation grants), both of which track grants and restricted accounts including federal grants. This report provides valuable information connecting state agencies to specific grants using CFDA program numbers. However, total federal grant expenditures within this report (just over $2 billion for state FY 2010) are also much lower than federal sources.

Appendix B

Massachusetts' Budget Recommendations: Issues in Brief

The following is the text of Massachusetts Governor Deval L. Patrick's FY 2013 Budget Recommendation: Issues in Brief.

FY 2013 Budget Recommendation:
Issues in Brief
Deval L. Patrick, Governor
Timothy P. Murray, Lt. Governor

During the past five years, the Patrick-Murray Administration has made the difficult choices needed to maintain the state's financial health and ability to invest in its future. As part of this effort, the Administration has looked closely at what it was doing and how it was doing it – and pursued reforms to improve the way it operates and delivers services.

Improving performance, however, is not just a response to ongoing fiscal challenges. It is about much more than simply dollars and cents. Trust in government has declined. Too many people feel that our democratic institutions are not working. For that reason, the reforms and investments being made in improving state government are therefore aimed not only at enabling resources to be used more wisely and efficiently, but also to help rebuild trust in government by making it more accountable and transparent to the people it serves. This Administration considers it a core responsibility to leave a more effective and open state government to future generations. This commitment is a fundamental element of the social compact between one generation and the next.

Initial Efforts to Improve Performance, Accountability and Transparency

The Patrick-Murray Administration initiated a statewide performance management program to implement its agenda. The MassGOALS (Massachusetts Government Outcomes to Achieve Long-Term Success) initiative proved an important tool in allowing Governor Patrick to align operations and resources around key priorities and to track the progress of executive departments in achieving these outcomes. As part of this effort and to comply with legislative mandates, Secretariats, such as the Executive Office of Health and Human Services (EOHHS) and Massachusetts Department of Transportation, also developed their own strategic plans and performance management frameworks.

Improved performance and coordination of state government activities has also been facilitated by the Administration's effective management of the funds of the American Reinvestment and Recovery Act (ARRA). The Act provided over $7 B in grant funding to

state agencies. Effective management of all Massachusetts ARRA funds required the Executive Office of Administration and Finance (ANF) to mobilize and coordinate responsibilities across government through a dedicated program management office.

Building on these successes, Governor Patrick proposed and the legislature supported the establishment of the Office of Commonwealth, Performance, Accountability and Transparency (CPAT) in the Executive Office of Administration and Finance in the FY 2012 budget.

The Office of Commonwealth Performance, Accountability and Transparency

CPAT was formed to execute nation-leading strategies for improving performance and transparency, maximizing federal grants, reducing fraud, waste and abuse and informing financial planning by using the latest economic and caseload forecasting tools. Beyond the progress being made to use performance management noted below, CPAT has had some notable successes during the first six months of the fiscal year. These include:

- Enhanced coordination of federal grants – leveraging experience in coordinating ARRA funds to secure and maximize federal dollars and ensure compliance with federal requirements;
- Public engagement and transparency enhancements – launching the State's Open Checkbook website in December 2011, which details spending information, including payrolls and pensions;
- Program Integrity – making permanent the Lt. Governor's Task Force on fraud, waste and abuse; creating a new unit within CPAT to support the Task Force and coordinate efforts throughout government, including with other offices such as the Auditor and Attorney General; and
- Caseload and Economic Forecasting – establishing the legislatively-required Advisory Board; developing a standard process and reporting templates for the caseload forecast updates mandated by legislation; beginning to work with high impact service areas, such as MassHealth, to review and develop caseload forecasting methodology; implementing formal tax revenue forecasts; and applying results into a five-year financial planning model.

The Governor's Priorities – using performance management to drive success

Alongside proposing the creation of CPAT in his FY 2012 budget recommendation, Governor Patrick set out four priorities for his Administration:

- Job creation;
- Closing the educational achievement gap in schools;
- Containing health care costs; and
- Reducing youth and urban violence.

During the past sixth months, CPAT has established a collaborative relationship with the Collins Center at UMASS Boston and worked closely with executive departments to develop strategies to achieve these priorities. CPAT and Secretariats have taken a cross-agency collaborative approach to developing strategic plans – bringing together stakeholders across state government to develop focused and integrated strategies to address these pressing challenges.

For example, to support job creation, a comprehensive strategy was developed working across state agencies and with external stakeholders, such as the Economic Development Planning Council, to develop a job creation framework. The strategy calls for a range of actions including:

- Improving workforce skills;
- Aiding innovative sectors of the economy;
- Nurturing a better business climate by reducing unnecessary regulation; and
- Building supportive infrastructure to spur regional economic development.

To support this strategy, targeted investments were identified that could make a difference. To support job-creating infrastructure, the state's FY 2013 capital budget will invest more than $3.4 B in capital projects and $94.1 M will be invested in local infrastructure via the MassWorks Infrastructure Program.

The FY 2013 budget will also support skills and innovation, including:

- $15 M in funding for the Massachusetts Life Sciences Center; and
- $10 M in funding to recapitalize the Workforce Competitiveness Trust Fund (WCTF) to support grants for innovation in training and re-employment programs.

Our new strategies to close the educational achievement gap across the public education system from birth through higher education will build on the progress made by the Administration in implementing the landmark *Act Relative to the Achievement Gap* legislation (signed by Governor Patrick in January 2010). In addition, these strategies will complement ongoing initiatives such as the implementation of our Quality Rating and Improvement System in early education, our K-12 Race to the Top plan, and our higher education Vision Project.

Several FY 2013 education proposals are based on one important premise: the Commonwealth cannot close the persistent achievement gap without addressing the impact of poverty and other factors on student engagement, achievement, and success. The FY 2013 Budget recommendation dedicates an additional $9.9 M of funding for achievement gap priorities in the Commonwealth's 24 Gateway Cities. In addition, the Administration will continue to maintain high levels of funding for early education, Chapter 70 aid to our communities and our public institutions of higher education.

Reducing the cost of health care and health care spending requires a similarly strategic approach so that access is maintained and quality is improved, while we reduce costs. The Administration's strategy calls for greater integration and patient-centered care, reform of payment methods to reward outcomes and enhancing consumer engagement. Highlights of the Administration's actions to implement this strategy include:

- Building the foundation for a new payment and delivery system through, for example, payment reform demonstrations with providers like the state's safety net hospitals and managed care organizations in the MassHealth and Connector Authority's Commonwealth Care program;
- Leveraging the state's purchasing power and maximizing competition in state health care contracts;
- Strengthening community based long-term care services for the elderly and disabled persons; and
- Expanding efforts to address fraud, waste and abuse in state health care programs.

To reduce youth violence, the strategy brought together education, public safety, public health and municipal officials to develop a suite of interventions to prevent violence and to address its aftermath. The strategy calls for offering positive opportunities for youth development, reducing access to firearms for young people and supporting the victims of violence. The Administration also recognizes that investment is needed and for that reason, Governor Patrick prioritizes $35.5 M in funding for youth development and youth violence prevention programs in his FY 2013 budget recommendation. This includes funding for the Safe and Successful Youth Initiative (SSY) grant program which supports coordinated intervention strategies for young men at risk of violence in 11 cities across the Commonwealth.

Going forward, Governor Patrick will track progress in achieving successful outcomes in each of these priorities. He is committed to measuring the progress toward achieving these goals and using performance management to inform further efforts.

The Next Phase of CPAT Reforms

The early activities of CPAT have put in place the foundation necessary for success in each area of its responsibility. The Administration proposes to invest $500,000 in the FY 2013 budget to enable CPAT to continue to drive progress in these areas. Outcomes will include delivering greater efficiencies, enhancing public engagement, securing additional federal resources and using better evaluation of programs and spending to improve results for the people of the Commonwealth.

<u>Performance Management</u>

Reforming the way state government operates by instituting performance management requires a long-term approach and leadership across state government. Governor

Patrick is therefore proposing in the FY 2013 budget recommendation the establishment of an office in each Secretariat dedicated to embedding the principles and practices of performance management. Within each Secretariat, these Offices of Performance Management will be required to produce strategic plans for their Secretariats, set goals and measure progress against those goals – working closely with CPAT to develop and execute these plans. Taken together, the strategic program goals identified by Secretariats will constitute the collective goals of the Administration.

A similar initiative has been proposed by Senate President Therese Murray in financial reform legislation she authored (S1900) and which the Senate passed last year. Additionally, two Secretariats, Housing and Economic Development and Transportation, have already been required to create such offices in recent legislation. The Administration supports these legislative initiatives and believes these innovations should be pursued in all areas of state government.

Under these plans, CPAT's performance management unit will have responsibility for the successful implementation of performance management initiatives throughout state government, ensuring that plans are:

- Aligned with the Governor's priorities;
- Focused on results and better outcomes;
- Based on evidence and regularly measured and evaluated;
- Linked to resource and budget recommendations; and
- Informed by engagement with the public.

CPAT will work with Secretariats to ensure that actions are being undertaken to develop and deliver each plan, reporting to the Secretary of Administration and Finance and the Governor.

Governor Patrick will sign an Executive Order further detailing the Administration's plans on performance management later this year.

Federal Grants Management

In the next fiscal year, the Federal Grants Unit will:

- Formally engage Cabinet Secretaries to develop better cross-government coordination of grant applications and rewards;
- Utilize the outcome measurement regime required to comply with the Federal Financial Accountability and Transparency Act (FFATA) for all grants secured in state government; and
- Establish a unified grants management technology solution that will enable cross-government coordination of grants.

These efforts will help agencies better identify grant opportunities, ensure effective up front analysis by state agencies, enhance tracking and reporting of the outcomes achieved via grant funding and increase the integration of federal grant activities into the overall administration budget and policy effort.

Transparency

In the next fiscal year, the CPAT Office will:

- Continue to make enhancements to the state's Open Checkbook and expand the content included;
- Complete a comprehensive state-wide plan for the full implementation of the transparency legislation; and
- Develop plans to incorporate the work of the CPAT Office into a single web portal.

Forecasting and Analysis:

In the next fiscal year, the CPAT Office will:

- Enhance our analysis and understanding of caseloads in MassHealth and other demand-driven programs;
- Improve our ability to do policy related cost benefit analysis, allowing us to perform more in-depth policy impact analysis for initiatives in priority areas, such as health care and homelessness; and
- Respond to the legislature's demand for improved forecasting and impact analysis.

To support these initiatives, the FY 2013 Budget recommendation proposes a $100,000 increase, from $150,000 to $250,000, for forecasting and analysis.

Prepared by the Executive Office for Administration and Finance ·
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Appendix C

List of Grant Opportunities

Connecticut state government did not receive funding for over 100 federal grants that had a per grant total federal expenditure of approximately $9 million or greater annually for FFYs 2009 - 2011. Within the report, it is identified that Connecticut is not eligible for over 60 of these grants.

Table C-1 lists the 43 grants for which Connecticut state government may be eligible, but did not receive funding for FFYs 2009 - 2011, according to data from USASpending.gov. The total federal expenditure for these 43 grants was just over $1.6 billion annually, which represents 0.33 percent of the annual federal grant expenditure to state governments during this time. The average annual nationwide federal expenditure of these 43 grants was $38 million per grant ($25 million median grant value).

Table C-1. List of Potential Grant Opportunities to State Government

Federal Granting Super Agency	PROGID	Program Title	Grant Type	US Annual Average
EDUCATION, DEPARTMENT OF	84.011	MIGRANT EDUCATION PROGRAM-STATE GRANT PROGRAM	FORMULA	$309,320,830
INTERIOR, DEPARTMENT OF THE	15.875	ECON. AND POLITICAL DEVELOPMENT OF THE TERRITORIES & FREELY ASSOC. STATES	PROJECT	$153,081,065
ENERGY, DEPARTMENT OF	81.127	ENERGY EFFICIENT APPLIANCE REBATE PROGRAM	FORMULA	$100,550,678
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	14.255	COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRA	FORMULA	$76,139,610
LABOR, DEPARTMENT OF	17.275	PROGRAM OF COMPETITIVE GRANTS FOR WORKER TRAIN. & PLACEMENT HIGH GROWTH &	PROJECT	$73,927,944
ENVIRONMENTAL PROTECTION AGENCY	66.419	WATER POLLUTION CONTROL-STATE AND INTERSTATE PROGRAM SUPPORT	PROJECT	$64,309,919
INTERIOR, DEPARTMENT OF THE	15.426	COASTAL IMPACT ASSISTANCE PROGRAM (CIAP)	FORMULA	$60,645,883

ENVIRONMENTAL PROTECTION AGENCY	66.001	AIR POLLUTION CONTROL PROGRAM SUPPORT	PROJECT	$53,007,396
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	14.872	PUBLIC HOUSING CAPITAL FUNDS	FORMULA	$51,332,922
ENVIRONMENTAL PROTECTION AGENCY	66.801	HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT	PROJECT	$49,442,848
TRANSPORTATION, DEPARTMENT OF	20.933	National Infrastructure Investments	PROJECT	$40,260,723
HOMELAND SECURITY, DEPARTMENT OF	97.001	SPECIAL PROJECTS	PROJECT	$39,960,180
JUSTICE, DEPARTMENT OF	16.61	REGIONAL INFORMATION SHARING SYSTEMS	PROJECT	$37,103,758
AGRICULTURE, DEPARTMENT OF	10.565	COMMODITY SUPPLEMENTAL FOOD PROGRAM	FORMULA	$36,831,627
AGRICULTURE, DEPARTMENT OF	10.95	AGRICULTURE STATISTICS REPORTS	PROJECT	$31,104,956
VETERANS AFFAIRS, DEPARTMENT OF	64.203	STATE CEMETERY GRANTS	PROJECT	$30,998,648
ENERGY, DEPARTMENT OF	81.106	TRANSPORT OF TRANSURANIC WASTES TO ISOLATION PILOT PLANT: STATES	PROJECT	$29,267,727
COMMERCE, DEPARTMENT OF	11.452	UNALLIED INDUSTRY PROGRAMS	PROJECT	$28,277,971
HOMELAND SECURITY, DEPARTMENT OF	97.109	Disaster Housing Assistance Grant	PROJECT	$27,360,260
TRANSPORTATION, DEPARTMENT OF	20.314	RAILROAD DEVELOPMENT	PROJECT	$27,166,326
ENVIRONMENTAL PROTECTION AGENCY	66.6	ENVIRONMENTAL PROTECTION CONSOLIDATED GRANTS PROGRAM SUPPORT	PROJECT	$26,265,607
AGRICULTURE, DEPARTMENT OF	10.475	COOP AGREEMENTS WITH STATES FOR INTRASTATE MEAT & POULTRY INSPECTION	PROJECT	$23,979,510
TRANSPORTATION, DEPARTMENT OF	20.317	CAPITAL ASSISTANCE TO STATES-INTERCITY PASSENGER RAIL SEERVICE	PROJECT	$21,906,833
AGRICULTURE, DEPARTMENT OF	10.086	AQUACULTURE GRANTS PROGRAM	FORMULA	$16,234,783
HOMELAND SECURITY, DEPARTMENT OF	97.091	HOMELAND SECURITY BIO-WATCH PROGRAM	PROJECT	$16,032,127

ENVIRONMENTAL PROTECTION AGENCY	66.418	CONSTRUCTION GRANTS FOR WASTEWATER TREATMENT WORKS	PROJECT	$15,628,596
EDUCATION, DEPARTMENT OF	84.403	CONSOLIDATED GRANT TO THE OUTLYING AREA	FORMULA	$15,298,571
AGRICULTURE, DEPARTMENT OF	10.916	WATERSHED REHABILITATION PROGRAM	PROJECT	$15,284,941
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	94.011	FOSTER GRANDPARENT PROGRAM	PROJECT	$12,112,380
LABOR, DEPARTMENT OF	17.261	EMPLOYMENT AND TRAINING ADMINISTRATION PILOTS, DEMOS & RESEARCH	PROJECT	$12,052,303
JUSTICE, DEPARTMENT OF	16.753	CONGRESSIONALLY RECOMMENDED AWARDS	PROJECT	$11,677,542
COMMERCE, DEPARTMENT OF	11.472	UNALLIED SCIENCE PROGRAM	PROJECT	$11,408,137
COMMERCE, DEPARTMENT OF	11.611	MANUFACTURING EXTENSION PARTNERSHIP	PROJECT	$11,097,046
HOMELAND SECURITY, DEPARTMENT OF	97.041	NATIONAL DAM SAFETY PROGRAM	PROJECT	$10,483,771
HOMELAND SECURITY, DEPARTMENT OF	97.111	REGIONAL CATASTROPHIC PREPAREDNESS GRANT PROGRAM	PROJECT	$10,334,167
INTERIOR, DEPARTMENT OF THE	15.517	FISH AND WILDLIFE COORDINATION ACT	PROJECT	$9,932,198
AGRICULTURE, DEPARTMENT OF	10.902	SOIL AND WATER CONSERVATION	PROJECT	$9,608,131
JUSTICE, DEPARTMENT OF	16.585	DRUG COURT DISCRETIONARY GRANT PROGRAM	PROJECT	$9,532,597
EDUCATION, DEPARTMENT OF	84.368	GRANTS FOR ENHANCED ASSESSMENT INSTRUMENTS	PROJECT	$9,389,141
ENERGY, DEPARTMENT OF	81.502	Miscellaneous Federal Assistance Actions	PROJECT	$9,372,594
EDUCATION, DEPARTMENT OF	84.35	TRANSITION TO TEACHING	PROJECT	$9,298,416
HOMELAND SECURITY, DEPARTMENT OF	97.11	SEVERE LOSS REPETITIVE PROGRAM	PROJECT	$8,960,592
EDUCATION, DEPARTMENT OF	84.361	VOLUNTARY PUBLIC SCHOOL CHOICE	PROJECT	$8,858,825
Total				**$1,624,840,077**