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Subcommittee on Federal Financial Management, Government Information and International Security; Senate Homeland Security and Government Affairs Committee

My name is Eric Brenner. I am the Director of the Maryland Governor's Grants Office, which was created in February 2004 by Governor Robert Ehrlich and Lieutenant Governor Michael Steele. In less than three years the Maryland Governor's Grants Office has been cited as a "best practice" by the National Governors Association and recently received the 2006 "Special Achievement" award from the National Grants Management Association. I have been asked to testify today on the topic of measuring and tracking federal funds coming into the state of Maryland.

As reported in our most recent Annual Report, Maryland state agencies received approximately \$7 billion through 499 separate federal grant programs in State Fiscal Year 2006. While the majority of federal grants (in dollars) come to Maryland through our state agencies, a significant amount of federal funding comes to Maryland directly through grants to local governments, non-profits, and the higher education community. Our most recent data for the total federal grant dollars coming to Maryland are from Federal Fiscal Year 2004 and indicate that Maryland received approximately \$9 billion.

As the Governor, members of our General Assembly, and local government officials are increasingly interested in the high level of detail that the Grants Office provides in our annual report (grants to state government) they would like to see better and more timely data on the "other" grant money coming into the state.

If the state received approximately \$9 billion in federal grants in Federal Fiscal Year 2004, and state agencies received approximately \$7 billion in federal grants in State Fiscal Year 2006, a reasonable estimate can be made that the additional \$2 billion in grants is awarded to these other entities. However, by the time this data becomes available it is often too late to be of much value to Maryland policy makers.

Federal Fiscal Year 2004 ended on October 1, 2004. However, the U.S. Census Bureau did not release its official funding data for fiscal year 2004 until December 27, 2005 – almost 15 months after the end of the fiscal year. Just three weeks later, the Maryland Governor's Grants Office, with our staff of three people, was able to produce preliminary estimates of federal grant funds that would be going to state agencies in State Fiscal Year 2007, even though the State Fiscal Year 2006 data receives the most attention in our Annual Report.

Not having access to timely federal grants data harms the policy making process. One example took place during the Maryland legislative session that just concluded in April. A specific non-profit organization was seeking state funding and yet it was not possible to determine if this organization was receiving any direct federal funds during the most recent fiscal year.

- If they had been awarded federal money, the state might have decided that in light of the federal government's faith in this small non-profit, then the state could also show its belief in the organization by providing additional state funds.
- Or, if this organization were already receiving federal funds, the decision might have been to support a less experienced organization that provided similar services with state funds.
- A third alternative was to not appropriate any new state funds, but rather identify other sources of federal grants that similar non-profits were receiving in an attempt to help support this organization and similar organizations.

Since the only accurate data was from the already completed Federal Fiscal Year 2004, policy decisions had to be made with less information than was desirable. The Grants Office was given the assignment to encourage the federal government to supply more timely information on grant awards in a single, easy to access website.

This was not the first time I have received this type of request. Governor Ehrlich is the fourth governor I have worked for, in the third different state. I have worked for both republicans and democrats. When Senator Obama was serving in the Illinois General Assembly, I was creating the Illinois Federal Clearinghouse for the previous Illinois governor. As Senator Obama may remember, the difficulty in identifying federal funds that do not flow through state agencies was pointed out by the bi-partisan Illinois Legislative Research Unit which tracks federal grants coming into Illinois state government.

Another concern at that time was the inability of people to identify new federal grant opportunities. One of the primary activities of the Illinois Federal Clearinghouse was to consolidate information on new grant notices in a single, easy-to-use website. Today this is no longer necessary as Grants.gov does an outstanding job of consolidating this information so that anyone with a computer can receive daily e-mail updates each morning listing all new federal grants that have been posted during the previous day.

The Maryland Governor's Grants office provides a variety of services to state agencies, local governments, and non-profits, and yet a large percentage of our time is spent gathering and tracking federal grant (and procurement) data. If the federal government provided the same type of real time information on grant awards that it now provides on grant notices through Grants.gov, other states would not have to duplicate this service by creating their own state grants office, something that is happening with increasing frequency.

While Governor Ehrlich and Lieutenant Governor Steele find this imitation flattering they believe that, on the basic issue of access to data, everyone should be able to see how their tax dollars are being spent as quickly and clearly as possible. This would allow the Maryland Governor's Grants office more time to work with government and non-profit officials to better match potential resources with their public policy goals, and to improve our training programs so everyone can better manage federal grants once these are received.

The Governor and Lieutenant Governor support the core concept of improving timely access to federal funding awards information that is included in both S.2590 and H.R.5060, which recently was approved by the House of Representatives. We understand that there are differences in language between the two bills and would urge continued cooperation between the sponsors of these bills and the Office of Management and Budget to make the practical compromises necessary to move ahead with a low-cost, low maintenance, easy-to-use system that can benefit everyone. This is the type of "good government," non-partisan issue that this Congress should be able to resolve before adjournment. Governor Ehrlich, Lieutenant Governor Steele, and I are ready to assist in any way possible.