

## SUMMARY

Dear Reader:

The third year of the American Recovery and Reinvestment Act (ARRA) continues to have a major impact on the 2011 Grants Office Annual Report, though this time it is more because the funds are dramatically decreasing between FY 11 and FY 12.

Congress recognized that because the goal of ARRA was to move federal funds quickly into the economy, using existing federal grant programs presented the fewest logistical obstacles. This was reflected in the 69 grant programs in this year's report that use ARRA funds, though the dollar amounts have dropped from \$2.1 billion in FY 10 to \$1.7 billion in FY 11, with a much larger drop to \$78 million anticipated in FY 12.

Prior to ARRA, changes in federal grant funds from one fiscal year to the next were comparatively small but there was a large jump in federal grant funds received by Maryland in Fiscal Years 2009 through 2011, with the anticipated large drop occurring in 2012 directly related to ARRA.

In state fiscal year (FY) 2010 Maryland state agencies received approximately \$9.6 billion. In FY 2011, \$10.3 billion in total federal grant funds were secured by Maryland state agencies, and in FY 2012 we anticipate \$9.1 billion in federal grants. Of the 520 active federal grant programs in this year's report, 69 of these are ARRA funded programs.

Of the anticipated dollar decrease in FY 12, more than \$1.6 billion of the total is a direct result of ARRA. However, since the overall decrease in FY 12 is only anticipated to be \$1.1 billion, a few explanations are in order.

The single largest grant program this year remains Medicaid (DHMH). With federal funds received for Medicaid anticipated to top \$4 billion in FY 12, this would represent an increase of \$492 million.

The largest new grant received this year is the Race-to-the-Top funding at the Maryland Department of Education. (\$124 million in FY 11, with another \$25 million anticipated in FY 12).

The Health Care Affordability Act (ACA, also known as Health Care Reform) resulted in several new, first time federal grants to different state agencies as well as to organizations outside of state government.

The majority of the federal grant data in this report is provided by State agencies. The report also continues to rely on information provided by both the U.S Census Bureau and USASpending.gov, which tracks all federal funds going to Maryland. This includes grants received by State agencies as well as federal grants received directly by local governments, non-profit organizations, and universities. This also includes data on all federal funds, grants being one of five categories.

USASpending.gov once appeared poised to take over much of the official reporting on federal spending but the most recent federal budget (approved in April 2011 for the remainder of this fiscal year) made large cuts in their budget so the future is uncertain. OMB recently announced that they would no longer require federal agencies to submit funding data directly to the Census Bureau, adding to concern on the quality of future federal funding data.

Beyond the tracking of federal expenditures, at the time this is being written there is considerable uncertainty pertaining to the next Federal budget. While there is the potential for overall federal grant funding cuts, there also is the potential for eliminating many small programs that could result in a smaller number of programs. This general uncertainty is reflected in conservative estimates of anticipated FY 12 dollars by some of the larger agencies.

To accurately measure all federal funds benefiting Maryland, all categories of federal funding, not just grant funds, should be reviewed. Federal funds flow to states through five primary categories:

- Retirement & disability (primarily Social Security)
- Direct payments (primarily Medicare)
- Procurement (purchase of goods and services)
- Salaries & wages
- Grants

The following chart lists the level of funding Maryland received in FFY 2009, by category:

TOTAL FEDERAL FUNDS TO MARYLAND  
Federal Fiscal Year 2009

<u>Category</u>	<u>\$ Amount</u>	<u>% of Total</u>
<i>Procurement</i>	34.3 billion	37.2
<i>Retirement/Disability</i>	18.4 billion	20.0
<i>Salaries/Wages</i>	13.2 billion	14.3
<i>Other Direct</i>		
<i>Payments</i>	14.3 billion	15.5
<i>Grants</i>	11.8 billion	12.8
<b>Total \$</b>	<b>92.2 billion</b>	<b>100%</b>

Maryland is ranked #4 among the 50 states in per capita amount of federal government expenditure, due in large part to our #3 ranking in procurement. Using Maryland's total population of 5,699,478 (as of July 1, 2009), and the hypothetical situation of these funds being evenly allocated to each resident of Maryland, the following chart shows per capita federal funds coming back into Maryland.

**PER CAPITA FEDERAL FUNDS TO MARYLAND  
Federal Fiscal Year 2009**

<u>Category</u>	<u>\$ Amount</u>	<u>Rank Among the 50 States</u>
<i>Procurement</i>	6,024.96	3
<i>Retirement/Disability</i>	3,236.96	15
<i>Salaries/Wages</i>	2,321.76	3
<i>Other Direct Payments</i>	2,514.52	25
<i>Grants</i>	2,071.22	38
<b>Total \$</b>	<b>16,169.03</b>	<b>4</b>

The following is a partial list of activities coordinated by the Grants Office:

**WEBSITE [www.grants.maryland.gov](http://www.grants.maryland.gov)**

- Consolidated information on new federal grant opportunities, state grants (a new addition this year), foundation grants, grant training (many via webinar, greatly expanded this year), federal procurement, and state agency points of contact.

**STATE AGENCY GRANTS TEAM**

- Cabinet Secretaries designate primary points of contact for the Grants Office.
- Points of contact serve as subject experts and entry points within each agency for all grant questions. They review grant formula issues and assist the Governor's Washington, D.C. office in maintaining relationships with federal decision-makers on grant issues.

**PUBLICATIONS**

- *Annual Report: Federal Funds to Maryland State Agencies*. This is the office's 8th Annual Report (now

entirely on-line), which documents 520 federal grants received by Maryland State agencies.

- *Governor's Grants Office News*. Electronic newsletter emailed to listserv of more than 4,000 Maryland constituents to inform them about grants issues and grants training opportunities.

#### **GRANTS TRAINING**

- **Free Training Sessions:** session offerings on topics including researching grant opportunities, grant writing, grant budgeting, and procurement have been expanded to train non-profit and community-based organizations throughout Maryland. Additionally, advanced grants management trainings addressing post-award issues are being delivered by national and federal content experts. Many recorded trainings conducted via webinar are available to view at any time on the Grants Office website.
- **Technical Assistance:** technical assistance has been provided directly to multiple local jurisdictions and also through the Maryland Municipal League and the Maryland Association of Counties. In addition, increased levels of technical assistance have been provided to non-profit and community-based organizations.

#### **FOUNDATIONS**

- The Grants Office has worked with Maryland foundations (particularly the community foundations) to improve collaboration between state agencies and grant makers, in addition to making presentations to national foundations interested in replicating the Maryland model.

In all sections it is important to recognize differences between the state fiscal year (July 1 – June 30) and the federal fiscal year (October 1 – September 30). When data is obtained from state agencies this is based on state fiscal years but when data comes from Census or USASpending.gov this is based on federal fiscal years.

***Factors Influencing the Flow of Federal Funds*** describes many of the reasons why the Maryland federal fund numbers often differ from the national averages.

***State Agency Comparisons*** includes changes in total federal grant dollars, percentage changes, and the number of grants received.

***Federal Funds to Maryland by County*** summarizes federal fund flows in each of the five spending categories for each county.

***Federal Grant Audits*** discusses another performance measure for the Grants Office, highlighting an improving trend of fewer new audit findings.

***Federal Procurement*** provides details in a category of federal spending where Maryland traditionally does much better than the national average, with overall figures far exceeding what we receive from federal grants.

***Foundation Funds to Maryland*** includes data on 1,400 foundations headquartered in Maryland.

***Governor's Policy Goals*** describes how the federal grants obtained by state agencies are addressing specific state policy goals.

***Grant Totals and Grant Listings by State Agency*** provides summary information that also identifies the new ARRA grants.

***Federal Grants by State Agency*** makes up the bulk of the report, providing descriptions of federal grant programs and dollars received by each state agency.

***State Agency Grants Contact*** lists the primary state agency points of contact for the Governor's Grants Office.

The following chart lists state agencies by the level of federal funding each received in FY 2011, along with the number of active grants.

<b>TOTAL FEDERAL GRANT FUNDS &amp; NUMBER OF GRANT PROGRAMS</b>	
<b>BY STATE AGENCY (thousands)</b>	
<b>Fiscal Year 2011</b>	
<b>Maryland State Agency / Office</b>	<b>\$ Funds (# Programs)</b>
Health & Mental Hygiene (DHMH)	4,831,027 (69)
Human Resources (DHR)	1,956,851 (35)
Education (MSDE)	1,669,130 (70)
Transportation (MDOT)	945,868 (29)
Housing & Comm Dev (DHCD)	218,488 (8)
Labor, Licensing & Reg (DLLR)	149,143 (28)
Emergency Management (MEMA)	104,187 (17)
Public Safety & Correct Services (DPSCS)	83,562 (13)
Environment (MDE)	58,399 (45)
Natural Resources (DNR)	49,401 (47)
MD Energy Administration (MEA)	38,348 (11)
Gov's Ofc Crime Ctrl & Prevent (GOCCP)	31,469 (23)
Aging (MDoA)	30,052 (26)
State Police (MSP)	25,058 (13)
Information Technology (DoIT)	18,439 (1)
Veterans Affairs (MDVA)	10,504 (4)
Board of Elections	9,595 (1)
Juvenile Services (DJS)	7,602 (7)
Gov's Ofc of Community Initiatives (GOCI)	6,084 (5)
Agriculture (MDA)	6,564 (14)
MD Health Ins. Plan (MHIP)	3,680 (1)
MD Higher Education Comm (MHEC)	3,452 (6)
Disabilities (MDOD)	2,561 (5)
Attorney General (OAG)	1,896 (1)
Maryland Environmental Service (MES)	1,678 (6)
General Services (DGS)	1,002 (1)
Insurance (MIA)	1,000 (1)
Planning (MDP)	957 (10)
Governor's Office for Children (GOC)	882 (2)
Business & Econ Development (DBED)	858 (5)
Judiciary	772 (3)
Public Service Commission	762 (2)
Human Relations Commission	680 (2)
MD Public Broadcasting Corp (MPT)	474 (5)
Archives	150 (2)
MD Inst Emerg Medical Srv Sys (MIEMSS)	100 (1)
Historic St. Mary's Commission	74 (1)
<b>Total Federal Grant Funds To MD</b>	<b>\$ 10,271,271 (520)</b>

Federal grants, with a few exceptions, are identified by a Catalogue of Federal Domestic Assistance (CFDA) number assigned by the federal government. CFDA numbers are included throughout the Annual Report. The first two digits identify the federal agency from which the grant originates. The next three digits identify the specific grant within each agency. The website includes more information on all CFDA numbers, including those just created for new ARRA programs: <https://www.cfda.gov>.

The legend below assists in identifying federal grant funding sources by CFDA number, as state agencies often obtain funding from multiple federal agencies:

<u>CFDA Number Range</u>	<u>Corresponding Federal Agency</u>
10.001-10.999	U.S. Department of Agriculture
13.000-13.999	U.S. Department of Commerce
14.000-14.999	U.S. Department of Hous & Urban Dev
15.000-15.999	U.S. Department of the Interior
16.000-16.999	U.S. Department of Justice
17.000-17.999	U.S. Department of Labor
19.000-19.999	U.S. Department of State
20.000-20.999	U.S. Department of Transportation
21.000-21.999	U.S. Department of the Treasury
23.000-23.999	Appalachian Regional Commission
27.000-27.999	Office of Personnel Management
30.000-30.999	Equal Employment Opportunity Comm
34.000-34.999	Federal Mediation and Conciliation
39.000-39.999	General Services Administration
45.000-45.999	Nat'l Foundation on Arts & Humanities
47.000-47.999	National Science Foundation
59.000-59.999	Small Business Administration
64.000-64.999	U.S. Veterans Administration
66.000-66.999	U.S. Environmental Protection Agency
81.000-81.999	U.S. Department of Energy
83.000-83.999	Federal Emergency Management
84.000-84.999	U.S. Department of Education
89.000-89.999	National Archive and Records Admin
93.000-93.999	U.S. Department of Health & Hum Serv
94.000-94.999	Corporation for Nat'l and Commun
96.000-96.999	Social Security Administration
97.000-97.999	U.S. Department of Homeland Security

You can keep watch on *What's New* at the Governor's Grants Office and sign up for grants notices and our newsletter from our [homepage](#). Contact us at 410-974-5090 or [MDGrantsOffice@gov.state.md.us](mailto:MDGrantsOffice@gov.state.md.us).

A handwritten signature in black ink, appearing to read "Eric Brenner". The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Eric Brenner, Director  
Governor's Grants Office