

REQUEST FOR INFORMATION

To: Idaho Legislative Interim Committee – Federalism Subcommittee of Health & Human Services
From: Jared Tatro, Principal Analyst, LSO: Budget & Policy Analysis Division
Date: 11/05/2019
Re: Federal Grant Terminology

On October 7, 2019, Federalism Subcommittee on Health and Human Services requested information on federal funds awarded to the Idaho Department of Health and Welfare. The attached document is the Federal Funds Inventory budget form, as required by Section 67-1917, Idaho Code. To better understand the attached form, I have provided definitions of common grant terms/conditions, grant categories, and examples of various grant types.

Grant: A federal grant is one way for a federal agency to fund ideas and projects. Grant programs originate from laws and are administered by the appropriate federal agency. Grant information can be found in the Catalog of Federal Domestic Assistance (CFDA).

Maintenance of Effort (MOE): A state must annually expend an amount of non-federal funds at least equal to such expenditures during the preceding fiscal year or other specified time frame. MOE may also be defined as a minimum level of funding from state funds that must remain constant from year to year as long as the federal grant is in place.

Match/Cost Sharing: A portion of the project or program costs not borne by the federal government, and therefore covered by some other source. This may be cash or in-kind support; it depends on the funding requirements.

Discretionary vs Mandatory Grants: A **discretionary** grant is when a federal agency selects the awardee through a competitive process based on merit and eligibility. A **mandatory** grant is non-competitive and must be awarded to each eligible applicant (generally a government entity) based on the conditions defined in the authorizing statute.

Categorical vs Block Grant: A **categorical grant** is money granted by the federal government with strict spending limitations and compliance requirements. A **block grant** is funding for a broadly defined function. Block grants allow for more autonomy and flexibility to the states to decide how to implement the program.

Formula Grant: A formula grant is a type of mandatory grant that is distributed to eligible entities based on specific criteria outlined in the authorizing legislation. Medicaid is a formula grant.

Project Grant: Project grants are a type of categorical grant that is awarded on the basis of a defined criteria, often merit. Similar to how scholarships are awarded.

Direct Payments for Specified Use: Financial assistance from the federal government provided directly to individuals, private firms, and other private institutions to encourage or subsidize a particular activity by conditioning the receipt of the assistance on a particular performance by the recipient. One example is the loan repayment program for primary care providers who provide services in health professional shortage areas (HPSAs).

Cooperative Agreements: A cooperative agreement provides for substantial involvement between the federal awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the federal award. One example would be with public health preparedness grants and identifying solutions for infectious disease outbreaks.