

Chairman Peters Opening Statement As Prepared for Delivery
Full Committee Hearing: Improving Access to Federal Grants for Underserved
Communities
May 2, 2023

Today's hearing will examine how government can update the federal grants process to help improve communities' access to critical resources, increase transparency, reduce duplication, and streamline the federal grants process.

Each year, federal agencies distribute grants to help communities fund everything from workforce training programs and disaster mitigation efforts to local fire stations and first responders.

Last year, the federal government awarded over \$1 trillion dollars in federal grant money.

Communities in Michigan, and across the country, rely on this funding for essential services and personnel to keep the public safe. Communities also count on federal grants to implement and advance groundbreaking initiatives from the American Rescue Plan Act, the Inflation Reduction Act, and the Infrastructure Investment and Jobs Act that have helped communities recover from the pandemic, upgrade their infrastructure, and address climate change.

For example, in my home state of Michigan, the City of Detroit will use federal grant funds to help restore the I-375 highway to a boulevard, knitting a divided community back together – and creating new opportunities for economic development. The funding the City received through a grant from the bipartisan infrastructure law will help them complete this project nearly two years earlier than expected.

These types of grants can go a long way towards helping communities invest in significant projects and provide critical services to their residents. However, many communities, especially small and rural communities, face barriers to accessing these vital resources. Today, we'll be examining some of those barriers, and discussing what more the federal government can do to ensure that every community has the opportunity to apply for and receive grant funding.

Smaller communities often lack the resources to hire grant writers or ensure compliance with complicated federal guidelines, missing out on important opportunities that could help them better serve the public.

By ensuring communities have access to funding, we can also encourage the fair and efficient distribution of grants to states, cities, localities, and organizations with the greatest need, not just to those with the greatest capacity.

While some agencies have successfully implemented recommendations to expand access, many stages of the federal grant process remain fragmented or duplicative.

For example, more than 50 different federal agencies distribute grants to more than 131,000 recipient organizations for more than 1,900 grant programs, each with its own application and award process that can be difficult to navigate.

I am working on legislation to increase accessibility to federal grants by simplifying grant announcements, and requiring announcements to use plain, easy to understand language. Other challenges, such as technical setbacks, a lack of leadership and coordination, and the burdensome nature of the grants application process, have prevented communities, from accessing federal grants.

IT and technical barriers have also prevented communities and organizations from accessing grants.

Many agencies use different grants management software systems, leading to confusion, frustration, and wasted time for many applicants.

Recently, the System for Award Management or SAM.gov, the government-wide registration system for federal funding awards, experienced technical issues that adversely affected businesses and non-profits applying for grants.

Irregular funding cycles also prevent smaller cities and local governments from hiring permanent staff, and shortages of temporary staff have exacerbated an already insufficient workforce, especially in the areas of greatest need.

These challenges affect organizations and governments across the country. In planning for this hearing today, I've heard from states, cities, non-profits and Tribes about the importance of accessing federal grants. Without objection, I would like to enter several statements into the record that reflect the challenges these organizations face.

And while it's critical that we streamline the federal grants process to promote better access for smaller communities, we must do so in a way that ensures the federal government receives the information it needs to fairly distribute awards, and conduct appropriate oversight.

As Chairman, I will continue working to address these needs and conduct oversight to help eliminate waste, fraud, and abuse within the federal government.

Today, I am pleased to welcome our panel of expert witnesses who can speak to the challenges and barriers facing their communities, and help share ideas for how we can improve the access to federal grant programs.