



TESTIMONY OF

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BEFORE

Committee on Homeland Security and Governmental Affairs
United States Senate

ON

“Improving Access to Federal Grants for Underserved Communities”

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Chairman Peters, Ranking Member Paul, and distinguished members of this committee:

I appreciate the opportunity to appear before you today representing the City of Detroit and our approach to securing and responsibly stewarding federal grants, as well as the ways we believe more American cities can more efficiently and responsibly access and benefit from federal funds.

In my role as the Deputy Chief Financial Officer for Detroit, I oversee a department called the Office of Development and Grants. Typically, in municipal government, grant writers and managers are seated within diffuse departments and focused on specific subject matter portfolios, for example in parks, public safety, or workforce.

In 2017, the City of Detroit decided to take a different approach. We reorganized our grants management staff into one consolidated department serving the entire City. In this new structure, we have a team of grant writers who work on seeking funds for multiple departments and manage key relationships with federal, state, and local funders, which includes our philanthropic and corporate partners. We also have a team of grants managers divided into workflows of planning, implementation, and finally reimbursement, close out, and audit support. This restructuring allowed our office to professionalize the work of grants management with the following benefits:

- our grants application success rate has increased significantly¹,
- we are more efficiently and effectively able to handle a higher volume of funds with the same size team²,
- we have at least four team members involved in a grant throughout its lifecycle, meaning nothing falls through the cracks even during a time of staff turnover,
- our findings have reduced proportionately over time,
- and we have streamlined communication through this centralized office.

Though we didn't realize it at the time, this reorganization prepared Detroit exceptionally well for the impending crises of the Covid-19 pandemic and the devastating flooding³ that happened across our city in 2021. Given these experiences, I was asked to share recommendations for how to better support municipal governments working hard to secure and spend grant dollars. My

¹ From 2017 to 2022, ODG saw a 53% increase in the number of grant applications submitted and a 362% increase in the value of applications. We have also seen a 61% increase in the total award amount for our competitive applications in the same range of years.

² In 2017, our team employed 24 FTEs and managed \$875.3 million in active grants. In 2023, our team employs only two additional staff (26 FTEs) but manages a portfolio of \$2.4 billion in active grants

³ On June 26, 2021 after historic flooding across Wayne County, Governor Gretchen Whitmer declared a state of emergency. On July 15, 2021, President Biden approved a federal major disaster declaration for this extreme weather event.

recommendations can best be summarized into the following three requests: greater flexibility, clarity, and consistency.

Flexibility:

First, flexibility. The American Rescue Plan Act State and Local Fiscal Recovery Funds exemplifies what cities need most: flexibility within guardrails. ARPA SLFRF allowed Detroit to respond to the specific ways that our city was impacted by the pandemic. In the summer of 2021, we carried out extensive community engagement through 65 community conversations and hundreds of resident survey responses⁴ to prioritize where and how to respond to the continuing effects of the pandemic and support our long-term economic recovery. This resulted in a deliberative portfolio⁵ of citywide programs aimed at addressing problems created or exacerbated by the pandemic. All of these programs are in various stages of implementation today. How government responded to the dual challenges of pandemic and economic recovery looks different in every city across America, reflecting the diverse problems and opportunities we all have at the municipal level and our ability to act accordingly. And because cities have been trusted to develop our own individual local plan, we can be more effective and responsive to our residents and their feedback.

The fact that these funds came directly to the City without having to coordinate through state government was another critical benefit of this grant that cities want to see more of. Often, funds that we know will eventually come to us get significantly delayed as part of this pass-through, only shrinking the municipal timeline to implement. The structure of SLFRF has allowed us to both get started immediately on our recovery programs as well as coordinate with county officials and others to leverage programs together for maximum impact because we all received funds at the same time.

One challenge we have encountered is a lack of flexibility with how federal grant programs determine local cost-sharing. As a municipal government, a central obstacle that prevents us from pursuing more federal grant opportunities is the way in which our local match dollars are counted, or not, towards cost-share percentage minimums. Detroit already contributes a significant amount of resources towards the same projects we submit in our major grant

⁴ See the City of Detroit [2022 Annual Report](#) for ARPA section on community engagement, starting on page 64.

⁵ One of this portfolio responding directly to resident concerns are our **Renew Detroit** program, an essential home repair program for senior citizens and persons with disabilities where the focus is on roof and window replacements. Phase 1 currently underway will cover 1000 roof replacements and phase 2 will target another 1000 homes with either roof or window replacements. Another is **Skills for Life**: A work/training program that pays Detroiters to learn new job skills while removing educational barriers to employment. To date, we've hired over 400 residents to work in the City of Detroit General Services Department and 80 have earned their GED and/or occupational credential.

applications, but these dollars are often not counted because the grant period is defined too narrowly. Our dollars --which can at times be greater than the application fund amount-- may not be counted as match because they were awarded too early, often on the basis of a fiscal year turnover or the timing of a board approval from a philanthropic entity, that fail to align with the grant period. Greater flexibility in allowing for costs incurred on a project 12 or even 6 months prior to the grant period would significantly increase our ability to participate. This question of how match gets classified will be especially important for major infrastructure projects coming out of the Infrastructure, Investment, and Jobs Act, and particularly for smaller municipalities facing even more restrictive conditions on limited match dollars.

Clarity:

Our second request for this committee is greater regulatory clarity in a few specific ways. When it comes time to efficiently spend grant dollars, municipalities would be better served by greater clarity that supports the compliant implementation of the Uniform Guidance. My team spends a great deal of time determining whether to procure contracts, issue subrecipient agreements, or select beneficiaries. Even our auditors have had trouble interpreting the Uniform Guidance when it comes to these determinations. Partner federal agencies do offer supplemental workshops and training, but there is no training offered by the Office of Management and Budget on this subject. Our office took the guidance from 2CFR200.331 and built our own checklist as a means of documenting our standard operating procedures and tracking our own compliant decision-making process. We are not the only city that has done this. Additionally, 2 CFR 200.332 under the requirements for pass-through entities, lacks clarity when it comes to how to conduct a pre-award risk assessment of a potential recipient as well as their post-award monitoring. Both challenges offer the opportunity to issue a standardized checklist or decision-tree from OMB, and pair it with free training on the same subject. This would dramatically reduce audit findings across the country and ensure greater compliance. Uniform Guidance trainings can often be cost-prohibitive, particularly for fund subrecipients, which can limit bid participation in our local ecosystem and diminish the economic impact of these grant dollars.

Finally, Detroit is among many other cities who seek greater clarity when it comes to performance management tracking. As a city, we have worked diligently to prepare all of our departments to be strong data stewards, and we believe in the importance of tracking outputs and outcomes to understand the impact of our programs. However, recently, one of our consultant partners recommended that to follow OMB best practices, we would need to conduct program evaluations for all 107 of our programs. As a former researcher, I know how time and resource intensive these evaluations can be. Because we do not have the expertise within our department, we would need to then procure an additional team, and in some cases, this would mean significant dollars directed towards performance measurement on programs that have a proven track record of effectiveness in lieu of actual direct services to Detroiters. That is a tradeoff we

are not willing to make. While it is important to establish best practices, when cities look to federal guidance and are focused on having both a spotless track record and greatest impact, it is also critical to clarify *minimum* requirements.

Consistency:

And finally, our team asks for greater consistency, in both the provision of recurring resources that support grant application requirements, and in the platforms we use to communicate with our federal agency partners. Regarding recurring resources, two examples come to mind: Benefit Cost Analyses (BCAs) and the National Environmental Policy Act (NEPA) review. Many capital projects require one or both assessments, and Detroit has never had the in-house expertise to carry out them out on a recurring basis. This means we must identify local funds to pay for these contracts and go through the several-month process of procuring those third-party contractors, all for a project that may or may not receive funding. Consistent (rolling) funding opportunities to support grant pre-requirements⁶ such as NEPA or BCAs would mean cash-strapped local governments can continue their scope of guaranteed projects through local funding and provide these vital analyses that ensure the greatest impact when federal dollars are spent.

Our final recommendation is perhaps the smallest. We are asking for greater communications and reporting consistency across federal agencies. In our office alone, we work with 13 federal portals (3 of these are for FEMA alone⁷) as well as 10 State portals which often serve as the pass-through for federal dollars. Each of these portals has different authorization requirements, multiple user requirements, different regulations surrounding document retention, and different staff that we reach out to when a system crashes (as they consistently do up to a full week before reporting deadlines). Consolidation of these portals could allow for one platform with robust cybersecurity and bandwidth. Our grants managers spend a significant amount of time waiting for responses from various portal administrators with strictly logistical questions. One portal

⁶ One useful example of technical assistance for grants that reduces the local cost burden in preparing grant materials was the strategy deployed by the State of Michigan with specific FEMA dollars. The FEMA Building Resilient Infrastructure and Communities (BRIC) and HMGP funds flow through the State Police Emergency Management & Homeland Security Division. This involves a two-part application that the City submit, first a Notice of Intent and then a full proposal. Last year, when we were submitting NOIs for the Hazard Mitigation Grant Funds, MSP connected us with Tidal Basin, a 3rd party consultant that they had under contact to provide assistance in the development of Hazard Mitigation Assistance (HMA) grants which have included Building Resilient Infrastructure and Communities (BRIC) grant applications and Hazard Mitigation Grant Program (HMGP) applications to include project review for eligibility and, assistance with application development and benefit cost analysis. Tidal Basin was granted access to our FEMA Go portal, so that they could review our application in real time as it developed and edit it directly. We found this to be tremendously helpful and a great example of how other programs could build in technical assistance for all potential grantees.

⁷ The three FEMA portals we typically work within are: FEMA GO (Grants Outcomes), FEMA ND (Non-Disaster), and FEMA Grant Portal.

could mean one centralized form of outreach for questions and a singular policy on document retention allowed in the portal, as well as greater consistency for NOFA release dates and reporting deadlines.

Thank you for allowing the time for these humble recommendations. It has been a privilege to speak before you today and I look forward to any questions you may have.