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REALIZING THE VISION:
A 21st CENTURY STRATEGY FOR FEDERAL GRANTS MODERNIZATION

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Acknowledgements

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The Shared Services Leadership Coalition (SSLC) is pleased to publish Mr. Peckham's insightful perspectives as valuable contributions to ongoing efforts to modernize and transform the Federal grant administration process. The views expressed are the author's own and are not necessarily endorsed in their entirety by SSLC.

The first Trump administration revitalized a draft vision titled “Major Recommendations To Reinvent PHS Grantmaking: Moving Toward Partnership”, referred to as the “1994 Playbook”, that envisioned the modern federal grants ecosystem through the U.S. Department of Health and Human Services (HHS) as part of the ReImagine HHS initiative. A second-term Trump Administration has signaled an aggressive push for measurable performance, radical de-duplication of IT systems, and real-time financial transparency. Those priorities can be met - quickly - by finishing the job HHS started through *ReInvent Grants Management (RGM), as part of that larger framework.*

Executive Summary

For more than 30 years, the federal government has recognized what is needed to modernize grants management - **standardized data, modernized modular systems architecture, and risk-based oversight** - yet agencies continue to operate in silos, rely on outdated technology, and treat compliance as the goal rather than public impact. This paper argues that a second-term Trump Administration now has a unique opportunity to finish the modernization vision first articulated in HHS's 1994 Playbook and later validated through ReImagine HHS. By reframing grants management as a unified line of business rather than 26 separate agency constructs, the government can finally achieve measurable outcomes, IT de-duplication, and real-time financial transparency.

This paper outlines how decades of proven - but never institutionalized - innovations already exist across government, from HHS's NOFO QA Tool and a comprehensive approach to risk assessment to data-standardization efforts under the DATA Act and GREAT Act. These tactics demonstrate the transformative potential of objective risk assessments, simplified funding opportunities, and standardized financial reporting - yet uneven adoption has left billions in value unrealized. The evidence shows that the barrier is not a lack of ideas, but the absence of sustained cross-agency coordination and the failure to scale solutions that reduce burden, increase accountability, and generate the insights needed to assess true program performance.

To meet national priorities - accountability, technological modernization, and taxpayer value - the paper calls for a Presidential mandate that institutionalizes proven tools, accelerates data standardization, modernizes grants architecture through modular shared services, professionalizes the grants workforce, and embeds performance into the core of grantmaking. Without decisive action, the federal government risks entering 2030 still guided by recommendations written in 1994. With focused leadership, the existing blueprint can be fully realized to transform grants management into a modern, AI-ready, outcome-driven enterprise worthy of the scale of federal investment and the trust of the American people.

Background: The Case for Urgency

For over three decades there have been clear **challenges and missed opportunities** in federal grants management:

- Agencies still operate in silos, undermining data standardization outlined in the **Digital Accountability and Transparency Act**[1] (DATA) and **Grant Reporting Efficiency and Agreements Transparency**[2] (GREAT) Act.
- Risk assessments, as required by law under the Uniform Guidance (2 CFR § 200.206)[3], vary by agency and lack an objective baseline[4] perpetuating a "pay and chase" model[5] open to fraud.
- Many tools and strategies developed by HHS to create efficiencies and drive effective outcomes have never been formally institutionalized nor broadly adopted.

The RGM initiative validated that almost every major innovation in federal grants today - from Uniform Guidance and digital transformation to risk-based monitoring to managing improved performance outcomes - has its roots in the recommendations made by HHS years ago. Despite significant accomplishments, the full realization of the vision to reduce redundancy, burden, and costs for grant awarding agencies and grant recipients remains hindered by **fragmented execution, underutilized tools, and lack of cross-agency and cross-program coordination**.

Since the COVID pandemic the **federal government has issued over $1T annually** in the form of grants to fund organizations that benefit the public. The government executes these programs through partnerships with states, local governments, nonprofit organizations, and individuals. Grants are not loans and do not require repayment, but the funds must be used according to the guidelines outlined by Congress. The federal agency is simply the executing arm to take actions that can be clearly linked to desired outcomes through these partnerships. So why is the federal government still struggling to complete a 30-year-old modernization plan that has arguably influenced the statutory framework and the operational backbone needed to govern Federal-grant spending?

The answer to this question is because many of the approaches that have been outlined still need to be implemented to effectuate lasting change around these foundational objectives:

- **Performance measurement and management:** often regarded as the" Holy Grail" of grants management but still largely underutilized to promote the systematic use of data for evidence building that inform the choice of focus areas, and priority setting. Performance management metrics also reveal effective practices that promote productivity gain, support collaboration for learning, while discontinuing practices that fail to improve outcomes and/or operational quality.

[1] https://www.congress.gov/113/plaws/publ101/PLAW-113publ101.pdf
[2] https://www.congress.gov/bill/116th-congress/house-bill/150/text
[3] https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-C/section-200.206
[4] https://files.gao.gov/reports/GAO-25-107315/index.html?_gl=1*177wrc8*_ga*MTQ3MzcwMzQ2Ny4xNzQzMTYwNjc0*_ga_V393SNS3SR*MTc0MzUwMTc4Mi4yLjAuMTc0MzUwMTc4Mi4wLjAuMA..#_Toc193378071
[5] https://oig.hhs.gov/documents/testimony/128/20120608_-_Vito.pdf

- Uniform rules (2 CFR § 200): the 1994 Playbook's "single rule set" now exists through the Uniform Guidance, but agencies continue to add-on bespoke clauses that do not expressly create value across government programs. Aligning government compliance that focuses on mission outcomes would reduce administrative costs and remove barriers to competition.
- Digital first: make paper processes the exception and focus on building new architectures that promote user experience through Human Centered Design and better support for smaller grant applicant and recipients without compromising the quality of their delivery and operational excellence.
- Risk-based, insight-generating and sharing oversight: statute demands problem-finding oversight, but pre-award vetting for problem prevention is typically done manually, inconsistently, and one-off. Finding indicators of fraud, waste, and abuse must become an intentional part of the pre-award process and not just a "check the box" activity on a singular grant-by-grant basis. It must be utilized in a manner that works for and realizes economies of scale across programs. In addition, oversight functions should actively identify positive outliers and emerging promising practices so that those lessons can be disseminated broadly to accelerate the adoption of more focused oversight approaches.

The 1994 HHS Playbook introduced the vision of establishing a single set of rules, transforming the patchwork of agency-specific requirements into a unified framework. That vision ultimately took shape in the Uniform Guidance (2 CFR § 200), which consolidated dozens of separate regulations. While this alignment was part of the original vision, it was not until the most recent revision of the Uniform Guidance (April 4, 2024) that HHS began to adopt this approach more comprehensively. Yet, further progress is both possible and necessary. The RGM initiative concluded that 84% of grant management activities at HHS are already performed in the same manner across agencies. Building on these prior efforts and pursuing a truly holistic approach will help dispel the myth that greater uniformity is unattainable in this critical functional area.

Interoperability and Outcome-Driven Grants

Today, there is a clear need to modernize grants management systems and business functions by moving beyond monolithic frameworks. Future solutions should be built using contemporary technological advancements and emerging trends, with an emphasis on interoperability and the integration of Artificial Intelligence (AI) to enhance efficiency, adaptability, and insight generation. Most of the grant systems today were designed for a singular purpose but have been reengineered and expanded in scope beyond their original intent. They are old, costly to operate, and effectively incapable of modernizing with the pace of current technological advancements. Grants will be revolutionized when the systems can utilize integrated emerging technologies, something that has proven unlikely to attain through legacy systems without exorbitant cost and time considerations.

Grant Management goals must evolve beyond static compliance. We should embrace long standing objectives around standardized data that strengthen capacity to undertake analysis while improving outcomes and operational quality. One example that continues to be explored is the Notice of Funding Opportunity (NOFO) understandability, ease of application, and post-award generation of knowledge that informs continuous improvement. This desire for change is apparent in an assortment of laws Congress has passed over decades to anchor performance targets in demonstrable mission achievements that have not been fully explored or implemented at scale across government.

Equally important is the recognition that standardizing grants-related data can unlock new capabilities as grant-makers begin to harness the full potential of Artificial Intelligence (AI). Today's AI delivers its greatest value when models are trained on consistent, normalized data sets and internal parameters. Once developed, these models can be applied to more common use cases where data is incomplete or unstructured - conditions that characterize much of today’s grants data - to generate inferences for deeper analysis and informed decision-making. This approach would significantly enhance the ability to assess and manage longitudinal performance outcomes across the federal grants enterprise.

Past Initiatives: What They Have Highlighted

Even with the significant increase in grant spending since the Pandemic, the grants management administrative infrastructure has not kept pace with the technological, accountability, and performance management expectations of modern governance. With the validation of initiatives to improve grants administration noted in the 2023 General Accountability Office report to Congress[6], there needs to be clear focus on those activities.

One such activity was the HHS NOFO QA Tool. It automated a process to identify redundant and contradictory information to streamline standardization for agencies that would be more understandable to grant applicants. Another was the Grant-recipient Digital Dossier (GDD), which obtained an Authority to Operate in 2020. It created a uniform means of performing risk assessments that were objective and intended to be used by both grant-making agencies and prime recipients seeking sub-recipient support to comply with the Uniform Guidance. A third approach was the SF-425 Consolidated Federal Financial Report initiative, which was developed to provide a singular source of truth for grant recipient reporting through the financial system that could be reconciled and then shared with grant management systems electronically. While clearly demonstrating value, for unexplainable reasons these models were never fully institutionalized at HHS or across the federal government as envisioned.

The opportunity cost for low levels of adoption of these approaches is massive when implemented as intended. The GDD had a risk adjusted estimated annual savings of $142M at HHS alone. The tool was intended to be aligned under Grants.gov and funded through the internal government established algorithm so that it could be used by all grantor agencies and grant recipients. This centralized approach would have improved objectivity and cost savings were estimated to be exponentially higher than the HHS projections. Fragmented risk assessment processes perpetuate waste, duplicated efforts, and inefficiencies, but this process continues.

Simplifying NOFOs reduces competitive barriers, allowing a broader pool of potential grant recipients of all sizes. The SF-425 initiative was a direct means of resolving financial issues that could promote the timely closure of grants, directly supporting the Grants Oversight and New Efficiency[7] (GONE) Act requirements. The failure to adopt these tools across agencies **perpetuates long-standing challenges**, leaving outcome data fragmented, inconsistently reported, and underutilized, thus hindering the ability to assess performance that clearly promotes program outcomes.

The challenge is not inventing new ideas. It's finishing what was started with urgency, clarity, and scale.

[6] https://www.gao.gov/assets/d24106008.pdf
[7] https://www.congress.gov/bill/114th-congress/senate-bill/1115

Aligning Grants Reform with National Priorities

The current administration has signaled strong commitments to:

- Accountability and Performance: Grants must be tied to measurable outcomes, not just compliance checkboxes.
- IT De-duplication: Redundant systems must be rationalized through shared platforms and open APIs.
- Real-Time Financial Transparency: Data must flow between financial and program systems seamlessly, eliminating double-entry and reconciliation issues.

The existing federal grants modernization aligns directly with these priorities. The vision laid out by HHS in 1994 and reiterated by RGM is already directionally correct - it now requires executive sponsorship to execute at scale.

Complete the Mission: Strategic Priorities

A. Institutionalize and Scale Proven Tools

- **Pre-award Risk Assessments**: In alignment with the Pandemic Response and Accountability Committee adopt an objective and transparent government-wide system to reduce fraud, improve pre-award vetting, and eliminate duplicative reviews. Use Grants.gov as the singular hosting platform for this system that grant-making agencies use and fund, allowing grant recipients to use for sub-awardee risk assessments at no cost to reduce system redundancies and subjective approaches.
- **Streamline Public Interactions**: Simplify announcement language and analyze overlapping funding opportunities across agencies to avoid redundant awards, while identifying effective means for communicating with current and potential awardees to improve outcomes at reasonable cost.
- **Real-Time Reporting via Financial Systems**: Systematically reconcile government expenditures with recipient expenses to promote near real-time financial reporting as the first step towards automating grant closeouts.

B. Architect Interoperable Systems

Legacy grants platforms must be replaced with modular, microservices-based systems that:

- Integrate single sign-on capabilities across secure access platforms.
- Support plug-and-play tools for the activities defined in Federal Integrated Business Framework[8] (FIBF) that meet government defined architectures and allow private sector vendors the ability to compete in supporting agency activities.
- Enable user-centric approaches informed by Human Centered Design principles that include recipient engagement to focus on user experience and embrace the results.

C. Standardize Data to Unlock AI and Performance Analytics

Building on mandates like the DATA Act and GREAT Act:

- The Federal Government must accelerate its data standards work[9] to create universal data taxonomies for grantee records, performance indicators, contextual information and financial transactions so that agencies can access, consume, and compare data to inform grants more broadly.
- Develop AI-ready infrastructure that allows predictive and prescriptive analytics to support policy decisions.
- Continually update the standards and system interoperability as appropriate to tap new technologies that support knowledge building to realize better outcomes, operational quality, and public understanding of what government does and why.

[8] https://ussm.gsa.gov/fibf-gm/
[9] https://grants.gov/data-standards

D. Embed Performance into Grantmaking – underpinned in data

Tie disbursements to outcomes, not just outputs. Agencies should:

- Require standardized performance metrics in NOFOs.
- Move from static compliance reviews to dynamic, data informed decision making to boost program impact.
- Add to section GRM.040 of the FIBF a description of the way grant programs can and should support continuous learning and improvement among grant recipients.
- Design and use incentives linked to performance and other data in ways that inform priority setting and encourage the continued search for ways to improve and adopt better practices through an open and collaborative process with grant recipients.

E. Structure of the Workforce

Create a cohesive grants training plan appropriate for government-wide adoption:

- Establish federal-wide certifications and professional development standards.
- Promote a Grants Management Line of Business curriculum with consistent competencies and career path milestones.
- Work with associations to align training certifications that the government can endorse.
- Create reciprocity between federal and recipient training/certifications via a shared competency framework and stackable, role-based credentials—making skills portable across agencies, pass-through entities, and recipient organizations.

All of this should be done in partnership with the Office of Personnel Management to either professionalize the federal grants management job series or create a certification program.

Call to Action: A Presidential Mandate for Grants Modernization

In a second term, President Trump has an opportunity to cement a legacy of radical transparency, streamlined government, and taxpayer value through a unified federal grants modernization initiative. To achieve this the administration could:

1. **Issue an Executive Order** mandating a cross-agency Federal Grants Modernization Strategy in 2026 that builds upon the Improving Oversight of Federal Grantmaking[10] Executive Order.
2. **Establish a White House-led Grants Innovation Council** chaired by the Counsel on Federal Financial Assistance[11] (COFFA) and key stakeholders to oversee implementation with transparent goals and deadlines.
3. **Fund a new "Grants Modernization Accelerator"** through existing appropriations to redefine government grant platforms that focus on accessible data that is available to authorized private sector systems for federal and grantee use.
4. **Leverage Agency Performance Plans** that tie agency success directly to using data analyzed to improve grant outcomes, updating and refining grant objectives when appropriate, and not tying agency or grant recipient success to administrative throughput.

The focus should be a foundation to **strengthen agency support for Frontline improvements** through user ideation, learning from shared experiences and relevant research in developing new tools needed to drive economies of scale.

[10] https://www.whitehouse.gov/presidential-actions/2025/08/improving-oversight-of-federal-grantmaking/
[11] https://www.coffa.gov/

Conclusion: Don’t Let 1994 Still Be the Blueprint in 2030

If we fail to act, we risk arriving in 2030 pointing to 1994 recommendations as visionary rather than foundational. The architecture of a modern, accountable, performance-driven grants system already exists. What is needed is a clear commitment at the highest levels of government to implement it with urgency, at scale, and with a clear commitment to foundationally changing the long-standing paradigm paralysis that surrounds how grants are managed. **Grants management must evolve beyond static compliance into a living system of feedback, innovation, and outcomes**. The time to complete the vision is now.

Our Mission and Guiding Principles

SSLC is a non-partisan, non-profit organization dedicated to advancing the government's implementation of shared services business models to improve government efficiency and effectiveness.

We promote a marketplace where government and industry service providers can fairly compete to best deliver capabilities to government customer agencies that fully realize the transformative business value of shared services to enable continuous modernization in service delivery.

We also promote immediate actions to accelerate the government's adoption of shared services to more fully and rapidly address 21st Century challenges.

We Advocate for a Government-Industry Shared Services Ecosystem Where:

1. Shared services are:
   - The default delivery model for mission delivery and support services common to multiple agencies throughout the government.
   - Defined based on a clear set of facts regarding what exists, what is intended to be achieved, and how desired outcomes will be realized.
   - Designed to government-defined standards in alignment with Federal regulations, Federal policies, industry best practices and leading technologies.
   - Managed to promote and track important measurable outcomes, including efficiency, effectiveness and customer experience.
   - Delivered in an open marketplace accessible to qualified government and industry service providers, promoting innovation and predictable price models for customers.
2. A transformation vision and roadmap to achieve full operational capability of Federal shared services, including policy, investment strategies and return on investment are well defined and supported by Congressional and Executive Branch leaders.
3. All agencies participate in the shared services marketplace and support more effective agency-wide and government-wide decision-making to enable the seamless and secure delivery of shared services wherever opportunities are identified.
4. All government and industry providers are encouraged and incentivized to leverage commercial investment to keep offerings continuously modernized and delivering value at industry-leading performance levels.

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