

The *Streamlining Federal Grants Act* (S. 2286/H.R. 5934) and the Benefits to Charitable Nonprofits

The bipartisan ***Streamlining Federal Grants Act of 2023*** (S. 2286/H.R. 5934) is significant legislation designed to improve the effectiveness and performance of federal grants and cooperative agreements, simplify the application and reporting requirements, and facilitate greater coordination among agencies responsible for delivering services to the public. Notably, the legislation also seeks to improve the services delivered to communities and organizations that historically have not received federal grants or cooperative agreements. The Senate bill has been introduced by Senators Gary Peters (D-MI), John Cornyn (R-TX), and James Lankford (R-OK). The House bill has been introduced by Representatives Marie Gluesenkamp Perez (D-WA) and Virginia Foxx (R-NC).

The legislation would lead to systemic grants reform by establishing a **Grants Council** composed of all grant-making federal agencies tasked with providing overall guidance to the different agencies for developing plans for reforming their complex and outdated procedures and practices. The guidance would provide instructions on streamlining and simplifying the application, administrative, and reporting procedures for grants, improving user experiences, and soliciting grantee input, among other things. Over a period of about two years, each agency would be required to develop and implement an **Agency Plan** of streamlined grant-making procedures that comply with the Grants Council guidance.

Impact on Charitable Nonprofits

Numerous provisions embedded in the *Streamlining Federal Grants Act* create opportunities for charitable organizations to work with their partners in government to overcome longstanding hurdles to access and performance under federal grants.

- **Overcoming inertial and bureaucratic obstructions.**

After more than a decade of confusion and miscommunication since the Office of Management and Budget issued its Uniform Guidance (2 CFR Sec. 200 et seq.), the legislation would create a reform process through which longstanding challenges and impediments can be addressed and overcome. This is particularly welcome news to nonprofits struggling to advance solutions and largely ignored by agencies that had no motivation to engage in the reform process.

- **Mandated consultation with non-Federal entities, including charitable nonprofits.**

The legislation expressly mandates that federal agencies consult with non-Federal entities – states, local governments, territories, Tribes, higher education, and nonprofits – during the development and implementation of their Agency Plans. Federal agencies would be required to pay particular attention to potential entities that have not historically received grants or cooperative agreements.

This will promote dialogue early in the process when new ideas and approaches can be welcome, rather than comment at the back end.

- **Clarification of Notices of Funding Opportunities.**

The legislation expressly requires that agencies must “improve user experience” by mandating summaries of notices of funding opportunities that are **short** (under 500 words), **clear** (plain language), and **accessible** (identifying training and assistance opportunities). Nonprofits and others would no longer have to sift through 70 pages of jargon to determine whether they are or are not eligible to apply.

- **Elevation of training and assistance for potential applicants of grants.**

A primary tenet of the legislation is to improve the delivery of services to the public, particularly services to communities and organizations that historically have not received federal grants or cooperative agreements. One way this is accomplished is by requiring agencies to include in their Agency Plans the steps necessary to ensure potential grant and cooperative agreement program applicants have opportunities to receive training and assistance from the agency.

- **Emphasis on Access to Federal Grants.**

The version of the legislation approved by the Senate Homeland Security and Governmental Affairs Committee on July 26 orders up a report that identifies why charitable nonprofits and other non-federal entities choose not to participate in federal grantmaking and offering options to improve access. The study must include the experiences of faith-based and community-based organizations, rural communities, and small communities. The release of the report is timed to ensure that solutions can be incorporated into Agency Plans for streamlined grant-making procedures.

Additional Resources

- [Streamlining Federal Grants Act of 2023 \(S. 2286/H.R. 5934\)](#).
- **News Release:** [Peters, Cornyn and Lankford Introduce Bipartisan Bill to Help Improve the Federal Grant Application Process](#), July 17, 2023.
- **News Release:** [Gluesenkamp Perez, Foxx Introduce Bipartisan Bill to Streamline Federal Grant Opportunities](#), Office of Representative Gluesenkamp Perez, Oct. 12, 2023.
- [Legislative Summary](#), Office of Representative Gluesenkamp Perez, Oct. 12, 2023.
- [Written Statement of the National Council of Nonprofits](#), Hearing before the Senate Homeland Security and Governmental Affairs Committee, May 2, 2023.