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## [S. 1115, Grants Oversight and New Efficiency \(GONE\) Act](#)

### FLOOR SITUATION

On Monday, January 11, 2016, the House will consider [S. 1115](#), the Grants Oversight and New Efficiency (GONE) Act, under suspension of the rules. The bill was introduced on April 28, 2015, by Sen. Deb Fischer (R-NE) and passed the Senate, as amended, by unanimous consent on December 18, 2015.

### SUMMARY

S. 1115 requires federal agencies to prepare reports on their efforts to close out financial accounts for expired federal grants in an effort to bring greater efficiency to the federal grant administration process. Specifically, the bill requires agencies to coordinate with the Secretary of Health and Human Services (HHS) to submit a report to Congress that (1) lists each covered grant held by that agency, (2) identifies grants for closure, and (3) explains why the covered grants have not been closed. This information will provide insight into difficulties and inefficiencies within the closeout process, and assist in the development of potential solutions.

### BACKGROUND

The Department of the Treasury (Treasury) is responsible for disbursing grant funds to the primary grant recipients. There are over 2,000 congressionally authorized grant programs that administer over \$500 billion in grants annually. At the end of a grant award period, the grant recipient and federal administering agency are required by law to "close out" the grant pursuant to the grant agreement. After a grant award has been closed out, undisbursed funds are then transferred back to the Treasury.<sup>1</sup>

In 2012, the Government Accountability Office (GAO) reported that HHS and Treasury, which administer accounts for approximately 80 percent of all federal grants, had over 11,000 active accounts containing over \$800 million for expired grants.<sup>2</sup> According to the Congressional Research Service (CRS), "federal agencies may delay closing out expired grant accounts because of a lack of

<sup>1</sup> See CRS Report, "[Delayed Federal Grant Closeout: Issues and Impact](#)," September 12, 2014.

<sup>2</sup> See [Senate Report 114-169](#) at 2.

resources, ongoing disputes with grant recipients about allowable expenditures or matching requirements, or a lack of incentive to prioritize grant closeouts.<sup>3</sup>

According to the bill sponsor, “The GONE Act takes significant steps to close out these long expired grants and identify why they were never closed in the first place. The American people deserve more accountability from the federal government, and I hope we can soon send this bill to be signed into law.”<sup>4</sup>

### **COST**

The Congressional Budget Office (CBO) [estimates](#) enacting S. 1115 would cost \$8 million over the 2016-2020 period, primarily for increased administrative costs related to the new reports; such spending would be subject to the availability of appropriated funds.

### **STAFF CONTACT**

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

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<sup>3</sup> See CRS Report, [“Delayed Federal Grant Closeout: Issues and Impact.”](#) September 12, 2014.

<sup>4</sup> See Sen. Deb Fischer Press Release, [“Senate Passes GONE Act to Cut Government Waste.”](#) December 18, 2015.