



How the Pandemic Has Shaped the Future of Grants

MARKET TRENDS REPORT



Introduction

For many state, local and tribal governments, 2020 drove home the need for grant management modernization in a new and urgent way.

In March 2020, Congress ushered through the Coronavirus Aid, Relief and Economic Security (CARES) Act, a \$2.2 trillion stimulus package that lawmakers hoped would serve as a salve to the pandemic-beleaguered economy. Among the eager recipients of funds were state and local agencies, which primarily got their allocations through the Housing and Urban Development Department's Community Development Block Grant (CDBG) Program and other entitlement grants.

Grant applicants had to act quickly to apply within the act's deadlines, remain in compliance throughout the process and then distribute the funds – no easy feat, given the accelerated nature of the work amid a public health emergency. But it was especially challenging for agencies relying on legacy systems and processes.

To make matters worse, many of those legacy systems are largely paper-based – a major drawback when the pandemic forced many agencies to close their offices and send employees home.

While the pandemic has been a unique event, the need for modernization is not going away. Future emergencies will arise that stress the system yet again if agencies do not begin to tackle these long-standing problems. This is especially true for HUD's CDBG Program, which provides housing and rental relief, support to vulnerable populations such as the homeless, and economic development opportunities, all of which might come into play during a crisis.

To learn more about how state and local agencies can better position themselves for future crises by modernizing the CDBG management process, GovLoop developed this report in collaboration with eCivis, which provides software to modernize and simplify grant management. We offer insights from James Ha, Chief Executive Officer of eCivis, discuss best practices that can lay a foundation for long-term grants management success and share success stories of agencies that modernized their grant management for the better.

By The Numbers

\$480-620
billion

the amount of budget shortfalls state and local governments are likely to face in the next two years

\$12.4 billion

the amount of CARES Act funds HUD received to help address programs affected by COVID-19, the equivalent of 22% of HUD's enacted appropriations for fiscal year 2020

\$5 billion

the amount of supplemental CDBG funding made available through the CARES Act to prevent, prepare for and respond to the coronavirus

70%

The percentage of every CDBG grant that must be spent on activities that benefit people who earn low and moderate incomes

\$10 million

the amount available to supplement existing awards or to provide additional technical assistance to current CDBG grantees to support the coronavirus response

One third

the amount of total state government funding that federal grants account for

"NASCIO is proposing a multiyear partnership with a portfolio between the states and the federal government to address these state modernization challenges."

- Doug Robinson, Executive Director of the National Association of State Chief Information Officers, referring to the need to update decades-old technology to best use federal funds



Navigating Grants Management in Times of Crisis

The Challenge: Complexity Complicates Grant Response

Inherently a complex process, grant management gets even more complicated in times of crises. The CARES Act exemplifies this.

“Grants management is a really complex value chain,” Ha said. “There are many stakeholders in the process if you consider CARES Act dollars going from federal to state to local all the way to nonprofits in the community, businesses in the community, to citizens in the community.”

It has presented some unique challenges to agencies, such as:

Analog Processes

The race to meet CARES Act deadlines while in a remote work environment spotlighted the shortcomings of manual, paper-based processes.

“Before, you could operate government in analog, meaning you could still work with paper files, walk them around, get signatures,” Ha said. “COVID created a set of circumstances where that analog environment really became untenable. Now, a digital environment is even more important.”

Lack of Scalability

With [state and local budget shortfalls estimated to exceed \\$500 billion](#) in the next two years, interest in CDBG and other grants is high. But as the pandemic showed, legacy systems make it difficult to handle any surge.

“Government websites were crashing because they had so many applications for CARES Act assistance,” Ha said. “It really shortened the timeline to get funding out, but it also deepened the amount of work required and the volume of work that was created.”

Compliance

Compliance requirements added another layer of complexity. As applications roll in and officials review them, they must ensure that they are accountable and transparent when it comes to spending grant and taxpayer dollars. They also must look at compliance in terms of the entire funding process.

The Solution: Modern Tools Promote Collaboration

The solution to all of those challenges is a modern, standardized grant management process. Modernization efforts typically include:

- Replacing disparate spreadsheets with a centralized grant management system
- Digitizing and moving to cloud-based processes
- Automating tracking capabilities
- Real-time reporting on grant statuses

Cities and states that have taken such actions have enjoyed faster processing times, more qualified proposals, increased transparency and automated, built-in compliance.

“With COVID, grants managers are forced to think about how to solve for this in a comprehensive manner,” Ha said. “Urgency has created the opportunity to evaluate properly, whereas technology has helped ensure tools are now available to address some of those challenges more efficiently and cost-effectively.”

Specifically, access to broadband, cloud and Software-as-a-Service is reinventing grants management. Now, instead of an ad hoc, paper-reliant process, digital tools promote collaboration, information-sharing (such as documenting and reporting for single audits), and data storage and analytics. And those capabilities are continually evolving.

“With SaaS, everybody is using the same piece of software and it’s constantly being innovated, so you’re continuing to learn best practices that get fed back into the system,” Ha said.

What’s more, a modern approach takes advantage of crowdsourcing in that the more people are using the same technology, the easier it is to determine and share best practices.

“Governments want to foster an ecosystem where you learn and continuously optimize, which is a really critical benefit of modern technology,” Ha said.

Best Practices

The pandemic may have hastened modernization for the management of CDBG and other grants, but the changes agencies make shouldn't address this one problem.

Rather, they should lay a foundation for long-term grant management success.

To do that effectively, agencies must incorporate four best practices:

Standardize Policies and Procedures

The first step in standardizing policies and procedures is having a good understanding of the value chain, Ha said, and ensuring that both federal guidance and best practices are incorporated into standards. The discrete requirements of federal funding agencies and state governments can't be overlooked, but in handling those, grant professionals can become more efficient. For instance, they determine ways to make data collection easier, websites more accessible or reporting faster.

"It's important to identify what works better and begin to share that," Ha said. "You don't want to standardize policies and procedures in a vacuum."

Assemble the Right Grant Management Team

Second, agencies need to make sure that they have the appropriate representation for their value chain, he said. That means putting in place a team that includes all the stakeholders, such as representatives from the financial, procurement and legal offices. "You want experienced grants folks," he said. "It's a huge ecosystem to navigate."

Centralize Grant Reporting and Tools

Those team members must be able to communicate. That's where the third best practice – centralizing grant reporting and tools – comes in. A central solution for reporting and storing information and data is critical to making better-informed decisions.

"It allows you to analyze and share information with key stakeholders, make better data-driven decisions and know how to support your agency customers better," Ha said.

Prepare Budgets

Lastly, budgets are critical in managing grants, and stakeholders need a view of all the budgets in all their forms to make the best choices. That means preparing budgets for grant applications and technological solutions, and then managing them when the funding comes in.

Together, these best practices help agencies address the immediate need of how to apply CARES Act funding to [eligible CDBG activities](#), such as rehabilitating a closed school building to be a testing site or training more health care workers, while simultaneously positioning agencies to be more agile and responsive to whatever arises in the future.

The screenshot displays the eCivis Organization Project Dashboard. It includes a navigation bar with links to Home, COVID-19, Grant Management, Research, Insight, Reports, and Administration. The dashboard is titled "Organization Project Dashboard" and provides a summary of active grants. It features a "Funding Summary" table, an "Organization Totals - All Departments" table, and a "Department Summary" table. The "Funding Summary" table shows the following data:

Applying:	\$160,000.00
Submitted:	\$100,000.00
Awarded:	\$320,661,712.00
Total:	\$320,661,712.00

The "Organization Totals - All Departments" table shows the following data:

	Open Projects	Active Grants	Due Submitted	Awarded Allocated	Due Submitted
	68	53	3 1	18 21	34 26

The "Department Summary" table shows the following data:

	Open Projects	Active Grants	Due Submitted	Awarded Allocated	Due Submitted
CTE Grants (Career and Technical Education)	1	1	0 0	0 1	0 0



Case Studies

The California Department of Housing and Community Development is one of the largest providers of CDBG funding to key areas of the state, which has the [third highest rate of homelessness](#) in the country. That means much of the money going to support those people comes out of CDBG. Fortunately, when the pandemic hit, the department had recently modernized its legacy grant management system to a SaaS-based one from eCivis. As a result, the department was able to begin disbursing funding within three weeks.

Specifically, the department uses eCivis to expedite support for 12 grant programs representing about \$811.7 million in funding. It relieves agency personnel of burdensome manual processes by configuring and replicating prior successes, rather than customizing new processes for each grant, while ensuring compliance with government regulations.

“Now they’re providing training throughout the state to local governments that are recipients of those dollars and are better able to collaborate with their local partners,” Ha

said. “It’s a lot of collaboration, good information-sharing, adoption of best practices and taking that modernization to the next level.”

Atlanta is a longtime eCivis customer that also quickly distributed COVID-related funding to places that needed it most. Its use of cloud-based software reduces administration time, redundancies and compliance problems, and drives collaboration among departments. What’s more, the city can scale performance as needed, such as to handle CDBG within CARES Act deadlines.

The success at both the department and city earned them spots in eCivis’ [Hero Highlights](#), which feature particularly impactful grants management efforts.

Other state and local governments coming online with eCivis for CDBG management are the Georgia Department of Community Affairs; Indianapolis, Indiana; and St. John’s County, Florida.

HOW ECIVIS HELPS

eCivis is a part of GTY Technology Holdings, which offers cloud-based solutions to North American state and local governments. eCivis has 20 years’ experience in providing web-based grant management and is the most widely used SaaS grant management system in the public sector. It partners with customers to provide two things: underlying technology and a network of grant experts to maximize grant revenues, track financial and program performance, and prepare cost allocation plans and budgets.

As a result, eCivis offers agencies the tools they need to create a solid framework to modernize their grant processes and the people with the expertise to help them carry out their vision.

“It’s this very large network of folks that are managing grants in state, local and tribal governments that are working with the same software trying to accomplish the same goals, being able to share information, collaborate and work together, and share best practices,” Ha said.

To learn more visit www.ecivis.com.

Conclusion

The emergent needs related to the coronavirus pandemic and the deadlines imposed by the CARES Act have accelerated the pace of grant management modernization across state and local governments. Typically carried out through paper-based – or analog – processes, the public health crisis spotlighted the importance of what grant management looks like in the digital era.

As a result of the record speed and volume of interest in the CDBG Program that the virus and resultant legislation brought, agencies must consider SaaS-based solutions that enable collaboration and information-sharing among the many stakeholders involved in the multilayered process. Additionally, out of that collaboration comes the potential for the development of best practices that can drive further efficiency.

As agencies adapt their processes to meet today's needs, they have the opportunity to also lay the groundwork to be more effective from here on out – a positive effect coming out of a dire situation.



ABOUT ECIVIS

Since 2000, eCivis has been the most trusted and widely used SaaS grant management system by state, local and tribal governments. eCivis helps thousands of government agencies maximize their grant revenues, track their financial and program performance, and prepare cost allocation plans and budgets.

For more information, visit www.ecivis.com.



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ABOUT GOVLOOP

GovLoop's mission is to "connect government to improve government." We aim to inspire public-sector professionals by serving as the knowledge network for government. GovLoop connects more than 300,000 members, fostering cross-government collaboration, solving common problems and advancing government careers. GovLoop is headquartered in Washington, D.C., with a team of dedicated professionals who share a commitment to connect and improve government.

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