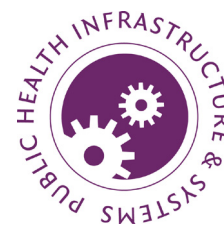


# CASE STUDIES IN COOPERATIVE AGREEMENT REQUIREMENTS

## PROJECT OVERVIEW

### CASE STUDY #2



National public health funding is a complex network of funding streams and associated terms and conditions (“requirements”) that arise from government at all levels as well as private sources. Cooperative agreements are common in the federal government and may be directly awarded to local public health or “passed through” states and other entities. Notices of award (NOAs) and pass-through agreements often contain expansive lists of requirements to ensure efficient and effective uses of public money; these requirements are the focus of the project.

Researchers first reviewed NOAs and state-local (“aid-to-local”) agreements to identify specific requirements placed on the local health department through funding arrangements. Then, researchers distinguished those devised by the pass-through entity (“add-on requirements”) from those that originated in NOAs (“flow-down requirements”). Finally, selected key informants were interviewed to offer additional context for each case site.

### Background on Case Site

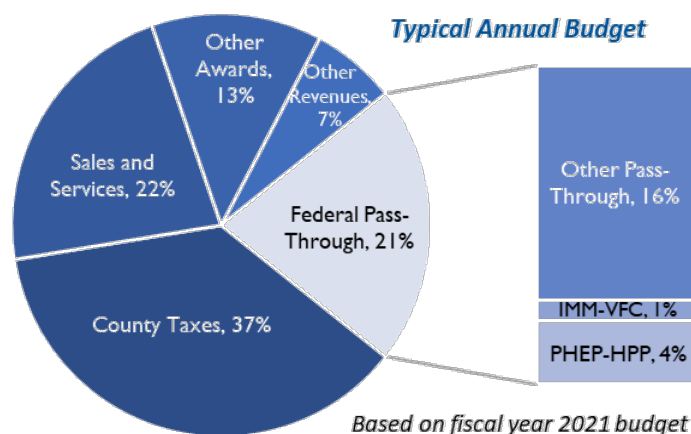
The present case site is a local health department in the Midwest region of the United States, serving a semi-urban population greater than 200,000. The department is accredited by the Public Health Accreditation Board (PHAB) and offers a variety of clinical and population-based services to their local community. Provided services include infectious and communicable disease investigations, vaccination services, public health inspections, clinical nursing services, and public health licensing and permitting. Select services are also provided through shared service contracts to counties within the region.

Funding for activities arises through different governmental and private funds as well as fees and fines. County taxes are a substantial source of flexible funding, typically greater than one-third of revenues, and allow expenditures toward locally determined priorities. Federal cooperative agreement funds passed through the state department of health are sizeable, typically comprising one-fifth of total revenues. There has been a reluctance to submitting applications for funding opportunities related to ‘optional’ grants due to the perception that the costs and restrictions may outweigh the benefits of the funding.

### Cooperative Agreements Reviewed

- Immunization and Vaccines for Children (IMM-VFC) CDC-RFA-IP19-1901
- Public Health Emergency Preparedness (PHEP) CDC-RFA-TP17-1701

### Local Context – Budget and Population



Population Estimate: >200,000 persons  
Budget Estimate: \$7–8 million  
Per Capita Estimated Funding Allocation of Reviewed Agreements:

1. IMM-VFC: < \$100,000 (<\$0.45 per capita)
2. PHEP-PHEP: > \$300,000 (>\$1.25 per capita)

## General Circumstances of Agreements

Requirements of the federal cooperative agreements (i.e., NOAs) were generally directed to the recipient; the recipient of reviewed cooperative agreements was the State. For the present case site, a federal direct grant—Carol M. White Physical Education Program (CDFA 84.215F)—was reviewed as exemplifying a closer relationship with federal program officers but having similar obligations as the pass-through grants. The Carol M. White grant offered an opportunity to compare directly funded arrangements with pass-through arrangements.

Interviewees characterized the requirements of both pass-through and direct grant awards as standard terms and conditions, considered “deliverables” by the State. The subaward agreements between the local health department and the state obligated activities or performance in return for program funding. Deliverable requirements often involve monthly, annual, or mid-point reporting. This reporting tracks data elements such as persons served, vaccinations provided, hours worked, educational sessions or events delivered, mileage and expenses, and other similar deliverable data.

## Perceptions on Requirements

Health department staff were interviewed about their experiences with public health funding and requirements associated with that funding. Conversations elicited perceptions on how federal pass-through awards differed from directly funded arrangements as well as how different requirements facilitated or impeded achievement of objectives devised by the state and federal grantors.

## How Achievement May Have Been Facilitated

Interviewees acknowledged where aid-to-local requirements led to success in objectives. Deliverables-based arrangements—funding with less restrictions in exchange for specific achievements—were favored. Deliverable-based grants offered enhanced flexibility, readily available funding, reduced risk in performing activities later determined to be non-reimbursable, and avoided encumbering expenses over long periods without reimbursement.

## How Achievement May Have Been Impeded

Interviewees described many instances of where aid-to-local requirements seemed to prevent achievement of goals. Elevated reporting burdens and time tracking were frequently cited as key barriers to achievement. Another prominent theme from the interviews was the perceived inflexibility of funding uses and requirements. This was widely held as a clear barrier to achieving the goals of the original cooperative agreement as well as local population health goals. The following interviewee statements capture key barriers to achievement.

On administrative burden of requirements:

*[Most deliverables] “aren’t necessarily programmatically driven as much as they are administratively and ... a lot of that comes down from the State.”*

*“If you’re off a penny, it takes you three hours to correct that single penny.”*

On level of funding versus required activities:

*“If I had to guess, the total amount of that grant that the CDC gave out, it’s probably very large; only \$9,500 makes it to you... what can you do for \$9,500?”*

On perceived inflexibility and insufficient funding:

*[When considering applying for future grants] “... eventually, you know, that dog doesn’t hunt.”*

## Other Findings from Interviews

Interviews with staff led to other findings related to funding and requirements that were notable.

## Comparison with Carol M. White Direct Arrangement

The case site’s experience with direct federal grants was positive and was favorably referenced by multiple interviewees. Direct grants were perceived to have a higher level of funding relative to expenses and to be easier to manage. One interviewee noted the ease in managing a non-deliverable direct grant such as the Carol M. White grant, in which

*“... [federal program officers] told you what to do and we just did it.”*

Another interviewee greatly favored direct grants, stating that working with those grants offered "...more flexibility and efficiency..." than with pass-through grants and may offer more money with less layers of bureaucracy. A substantial component of this is the ability to apply funds toward indirect costs, often not allowable in pass-through arrangements. An example from one interviewee described the impact as

*"[an indirect rate of] ten percent of \$3 million over that time would give \$300 thousand to inject into our infrastructure to help support advancement."*

## Lessons Learned

- The original NOA is often not shared in aid-to-local agreements but could help in understanding the goals or objectives of federal funding.
- A consistent, coordinated State grant management strategy or arrangements with fewer, streamlined requirements may lead to successful achievement of the goals or objectives of federal funding.

## Recommendations

- Flexible funding paradigms supportive of local priorities with simplified administrative reporting may allow for improved impact; could support opportunities such as

*"Health educators that are not tied to a grant, but are general-funded and can do tobacco one day (and) can do [vaccination] education another day..."*

- Unspent funding after successful deliverable completion be allowed to be allocated toward local priorities or funder provides bonuses for favorable performance or innovative practices.

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