

**Statement of Charles Johnson  
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**Before the  
Subcommittee on Federal Financial Management,  
Government Information, and International Security  
Committee on Homeland Security and Governmental Affairs  
United States Senate**

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## **Introduction**

Chairman Coburn and other distinguished Members of the Subcommittee, thank you for the opportunity to testify before you today on the topic of “Federal Agencies and Conference Spending.” My testimony will focus on the nature, extent, and benefits of conference spending at the Department of Health and Human Services (HHS or the Department).

HHS is the principal Federal agency responsible for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves. HHS’ mission is, “To enhance the health and well-being of Americans by providing for effective health and human services and by fostering strong, sustained advances in the sciences, underlying medicine, public health, and social services.” Healthy and productive individuals, families, and communities are the very foundation of the Nation’s security and prosperity. Encompassing more than 300 grant programs, HHS is the Nation’s largest health insurer and the Government’s largest grant-making agency. To ensure the best use of these funds, we must have good communication both with and between grantees on goals, best practices, new discoveries, etc. Conferences play a major role in facilitating this communication. For fiscal year (FY) 2005, HHS was accountable for \$580 billion in net outlays. HHS strives to achieve its mission while providing appropriate accountability for Federal funds.

## **I. Purpose**

HHS sponsors, co-sponsors, or approves staff to participate in conferences for various mission-related purposes, including:

- Scientific conferences;
- Training conferences for program partners in states and localities;
- Grant application development and promotion of further competition;
- Program development, planning, and information gathering;
- Program outreach and information dissemination; and
- Staff development and training.

HHS' significant and diverse program activities serve millions of Americans and most communities and are delivered through thousands of third-party program administrators, including: units of state and local governments; non-profit organizations; various faith-based and community-based service organizations; colleges and universities; and tribal governments. HHS' role in its program delivery is primarily focused on providing services to the communities, promoting excellent health care, and providing research on health disparities and diseases. The translation of research and dissemination of knowledge are key to promoting the wellness of the American people.

HHS' participation in conferences is a cost-efficient way for the Department to communicate with its many program stakeholders. Participation in conferences could

range from a keynote address from the Secretary to a presentation or technical assistance workshop on a new or substantially revised program requirement by a staff-level employee of the Department.

Some conference participation is to enhance the knowledge, skills, and abilities of HHS staff to improve their job performance and support of HHS programs. For some staff positions -- such as accountants, lawyers, contract specialists, or grants specialists -- professional certifications with continuing professional education requirements are required or encouraged. Continuing professional education opportunities are often provided through conferences sponsored by professional associations such as the National Grants Management Association.

## **II. Actual Expenditures**

Last year, in response to Chairman Coburn's request, HHS compiled information on the total amount spent on conference activities in FYs 2000 through 2004 and provided an estimate of the amount expended in FY 2005. We now have updated FY 2005 information from several agencies that previously had provided projections. This updated information shows that Department-wide spending on conferences, though up about a third from FY 2000, has been relatively constant since FY 2003, and actually decreased in FY 2005 from the previous fiscal year.

Conference spending increased for both the National Institutes of Health (NIH) and the Administration for Children and Families (ACF); however, these are exceptions. It is important to be aware that the increase since FY 2000 has been concentrated in two agencies that have received expanded missions.

Completing the doubling of the NIH research funding was a top priority of the President, and that was accomplished in FY 2003. As a result, FY 2005 funding for NIH was 62 percent higher than in FY 2000. One would expect, therefore, an increase in spending on efforts to assure that the results of ongoing and completed research are disseminated widely.

NIH scientific conference expenditures increased from \$12.3M in FY 2000 to \$24.9M in FY 2005. Well over half of the NIH expenditures on conferences are in the form of conference grants to universities and other research institutions. The applicants are responsible for planning, directing, and executing the proposed conferences. These grants are awarded on a competitive basis.

ACF has been charged with implementing several of this Administration's key initiatives. New programs include Compassion Capital Fund, Independent Living, Education and Training Vouchers, Mentoring Children of Prisoners, and Abstinence Education. High priority initiatives include Healthy Marriage and the Good Start/Grow Smart initiative in the Head Start program. As a result of ACF's efforts to assure successful implementation, its conference spending increased from \$6.2M in FY 2000 to \$10.8M in FY 2005.

Conference spending for all other HHS agencies decreased by 6 percent from FY 2000 to FY 2005. This decline occurred at the same time that total HHS expenditures rose by nearly \$200 billion from FY 2000 through FY 2005. While the total HHS budget rose over 50 percent, total conference spending rose only 33 percent in the same period. I believe this comparison is a sign of the Department's careful stewardship of resources and increasing oversight of conference spending during this time of significant program growth. Having said that, however, I agree that additional oversight can further improve our stewardship.

### **III. Internal Controls**

#### Endorsements/Disclaimers

HHS is very concerned about maintaining strict controls over conferences. To that end, in coordination with the Assistant Secretary for Administration and Management (ASAM), I have issued a memorandum to all HHS Operating Division (OPDIV) Heads that strengthened the Department's current policy on the sponsorship of conferences. The memorandum emphasizes the importance of fiscal stewardship and ensuring alignment with the HHS mission in considering all conference spending. The memorandum also articulates the requirements for HHS approval of sponsored conferences; the requirement of the use of disclaimer language on all conference materials; and the use/non-use of the HHS and OPDIV Logos on conference agendas, materials, publications, and websites. In addition, it makes clear that although recipients of HHS funds are required to show that

HHS is a funding source for a conference, that in itself does not translate into HHS endorsement of the conference.

In the case of NIH conference grants, applicants must apply for this support, and applications are reviewed in accordance with the NIH two-level peer review process.

### Travel

Further, in 2003 the Assistant Secretary for Administration and Management (ASAM) and the Director of the Office of Global Health Affairs (OGHA) established processes for reviewing and monitoring domestic and foreign travel, including travel to conferences. In addition to reviews, the HHS Program Support Center (PSC) Division of Financial Operations (DFO) performs a 100 percent pre-payment audit of the travel of non-career, confidential or policymaking appointees and those in Senior Executive Service positions. For the remainder of the travelers from the Department, DFO performs random pre-payment audits on manual vouchers and random post-payment audits on manual and automated vouchers.

For domestic travel, the HHS review process requires that requests for domestic travel for Operating Division Heads, for groups of 20 or more employees, and for trips whose costs exceed \$2500 for one individual be submitted to ASAM for review. For foreign travel, all travel requests are to be submitted to OGHA for review through the Notification of Foreign Travel, or NFT, system. Requests must include information such as destination, justification for trip, cost, and funding source.

HHS will continue to exercise strict internal controls over conferences to maintain adherence to tight budgeting guidelines.

#### **IV. Conference Participation**

The increases in HHS' conference spending over the past five years have been largely due to a greater focus on promoting the Department's strategic goals. This focus includes: increasing program participation by faith-based and community organizations; dissemination and translation of research knowledge; and reducing improper grantee spending. In each of the following examples, we believe that HHS' program outreach through conference participation is a contributing factor to improved performance results.

##### Participation by Faith-Based and Community Organizations

HHS continues its successful efforts to increase participation by faith-based and community organizations. The cost of ACF conferences for the Community Services Programs increased from \$400,000 in FY 2000 to \$1.3 million in FY 2005 – 6 percent of the overall HHS increase. An important portion of this increase was a result of efforts to support the Faith-Based and Community Initiative, whose goal was to assist faith-based/grass-roots organizations to compete for Federal grants.



### Head Start and Child Care Programs

The Head Start and Child Care portions of total conference spending increased from \$3.3M in FY 2000 to \$5.1M in FY 2004 – 39 percent of ACF’s total increase. In April 2002, the President announced his Good Start/Grow Smart initiative, which established priorities that spanned several Federal agencies, including partnering with States to improve early childhood education, strengthening Head Start, and providing information to teachers, caregivers, and parents. This effort was designed to assure that every Head Start teacher had the training and skills necessary to provide Head Start children the early literacy, language, and numeracy skills they will need to be successful in school. Intensive training of Head Start teachers began in the summer of 2002 and continued through FY 2005. Related to this initiative in FY 2004 were increased efforts to ensure that Head Start programs were achieving their primary purpose of promoting school readiness – that all children leave Head Start with the cognitive, emotional, and social skills they will need to be successful in school. In addition, ACF continued efforts that were initiated in FY 2002 to develop a process to help Head Start programs determine the degree to which each child is benefiting from their time in Head Start. Increased conference spending from FY 2002 to FY 2005 was provided to ensure implementation of these important technical assistance and capacity-building initiatives.

### Gordon Research Conferences

Participation in the Gordon Research Conferences by NIH intramural scientists is another aspect of conference spending. Attendance at these conferences is by invitation. The Gordon conferences provide an international forum for the presentation and discussion of

current research information in the biological, chemical, and physical sciences, and their related technologies. Each conference provides a forum for the synthesis, evaluation, dissemination, and translation of research knowledge. In addition, European and Japanese scientists, who lend a different perspective to ongoing research, attend these conferences. The impact of these conferences on the progress of American science has been very high.

#### Historically Black Colleges and Universities and Young Minority Conferences

These two conferences are part of the annual meeting of the American Association of Cancer Researchers (AACR). This annual meeting is an indispensable conference for cancer researchers working in all sub-disciplines of the cancer field. More than 15,000 participants from 60 countries gather to discuss over 6,000 abstracts and to hear more than 250 presentations on new and significant discoveries in basic, clinical, and translational cancer research. Scientific award lectures, grant writing workshops, networking events, educational sessions, and exhibits round out this comprehensive program. Scientists gain important networking opportunities and exposure to the highest state-of-the-art science.

#### **Conclusion**

Mr. Chairman, HHS is very committed to maintaining proper stewardship of Federal funds. As evidenced by our most recent clean audit opinion, the seventh in a row, HHS' commitment to strong and transparent financial management is clear. We are continuously monitoring our internal controls and strengthening our Departmental policies. Thank you again for the opportunity to share HHS' conference spending information. This concludes

my testimony and I stand ready to answer any questions the Committee may have on this topic.

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**CONGRESSIONAL REQUEST: - DHHS CONFERENCE SPENDING**

(in dollars)

**CONFERENCE SUPPORT EXPENDITURES/PROJECTIONS BY OPDIV/STAFFDIV**

	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
FDA.....	\$3,213,923	\$3,221,567	\$3,563,661	\$4,021,665	\$3,918,565	\$3,715,641
HRSA.....	1,921,763	1,142,431	996,968	814,258	1,797,997	1,139,751
IHS.....	1,002,677	985,048	998,398	970,170	1,170,928	1,231,591
CDC.....	8,558,382	6,982,795	7,642,681	6,926,825	7,056,486	7,577,478
NIH.....	12,360,000	16,323,000	15,867,000	19,259,000	20,352,000	24,900,000
SAMHSA.....	4,905,696	3,323,705	3,833,139	3,956,090	4,812,323	3,313,044
AHRQ.....	4,900,000	7,500,000	6,800,000	7,500,000	4,300,000	5,100,000
CMS.....	1,490,446	1,859,697	1,148,546	1,187,960	1,210,474	1,246,780
ACF.....	6,178,987	8,986,589	13,308,943	13,996,575	15,861,557	10,842,988
AoA.....	14,640	16,679	12,190	23,539	22,797	40,000
OS/OPHS....	1,796,337	1,740,103	1,918,654	2,350,275	2,326,160	2,531,142
OS/OTHER.	343,169	126,645	401,718	714,197	734,987	496,383
<b>TOTAL, HHS</b>	<b>\$46,686,020</b>	<b>\$52,208,259</b>	<b>\$56,491,898</b>	<b>\$61,720,554</b>	<b>\$63,564,274</b>	<b>\$62,134,798</b>

IHS: Revised FY 2005 total reflects actual spending for the fiscal year.

NIH: This reflects the revised 2005 estimate that was provided to Senator Coburn in October, 2005.

ACF: Revised FY 2005 total reflects final actual spending for the fiscal year.

OS: Office of the Secretary Conference spending was inadvertently omitted from the Summary Table.