



United States General Accounting Office  
Washington, DC 20548

Health, Education, and  
Human Services Division

B-285589

July 18, 2000

The Honorable Phil Gramm  
United States Senate

The Honorable Christopher H. Smith  
House of Representatives

Subject: Reproductive Health: Federal Funds Provided to Four Nonprofit Organizations

This letter responds to your request that we identify (1) the amount of federal funding that supported four nonprofit organizations—the Alan Guttmacher Institute, the International Planned Parenthood Federation, the Planned Parenthood Federation of America, and the Population Council—or their activities in fiscal years 1997, 1998, and 1999; (2) the federal agencies that received and disbursed the funds; and (3) the congressional committees with jurisdiction to authorize or appropriate the funds. This information updates our 1998 correspondence, entitled Family Planning: Federal Funds Provided to Planned Parenthood Organizations, which provided funding information for fiscal years 1994 through 1996.<sup>1</sup>

In summary, we found that the Alan Guttmacher Institute, the Planned Parenthood Federation of America and its affiliates, the International Planned Parenthood Federation and its associations, and the Population Council received approximately \$170 million of federal funds in fiscal year 1997 and \$178 million in fiscal year 1998. Complete data for fiscal year 1999 are not available. (See table 1.) The Department of Health and Human Services (HHS) and the Agency for International Development (AID) were the major sources of these funds. Four committees in the Senate and three committees in the House of Representatives have jurisdiction over the authorization of the programs under which the funding was provided. The Committee on Appropriations in the Senate and in the House each have three subcommittees that have jurisdiction over the appropriations of these funds.<sup>2</sup>

<sup>1</sup>GAO/HEHS-98-171R, May 22, 1998.

<sup>2</sup>The authorizing committees in the Senate are Commerce, Science, and Transportation; Finance; Foreign Relations; and Health, Education, Labor, and Pensions. In the House, they are Commerce, International Relations, and Ways and Means. Funds are appropriated by the Committee on Appropriations in the Senate and in the House through their subcommittees on Labor, Health and Human Services, and Education; Commerce, Justice, State, and the Judiciary; and Foreign Operations, Export Financing, and related programs.

**Table 1: Federal Funds Received by Four Nonprofit Organizations That Support Reproductive Health Activities, Fiscal Years 1997 and 1998**

<b>Recipient</b>	<b>1997</b>	<b>1998</b>
Planned Parenthood Federation of America and affiliates	\$115,795,461	\$120,645,606
Population Council	28,242,725	35,463,767
International Planned Parenthood Federation and associations	25,010,243	20,984,425
Alan Guttmacher Institute	1,016,849	1,346,587
<b>Total</b>	<b>\$170,065,278</b>	<b>\$178,440,385</b>

To obtain the information to address your request, we collected data from and held discussions with officials from HHS, the Department of Commerce, AID, the Alan Guttmacher Institute, the Planned Parenthood Federation of America, the International Planned Parenthood Federation, and the Population Council. The nonprofit organizations provided independently audited financial statements and reports on expenditures of federal funds. Except where noted, we used the expenditure data that the nonprofit organizations reported. We conducted our work from May to July 2000 in accordance with generally accepted government auditing standards.

## BACKGROUND

The Planned Parenthood Federation of America—a nonprofit organization—and its 132 affiliates, with 850 local health centers, provide reproductive medical care and birth control education. The affiliates are independent, separately incorporated organizations with their own boards of directors and financial autonomy. In 1998, the affiliates provided reproductive health care to 2.4 million women and men and educational services to 1.5 million individuals. The affiliates and their clinics provide family planning counseling and birth control services, pregnancy testing, abortions, cancer screening, human immunodeficiency virus (HIV) testing, screening and treatment for sexually transmitted diseases, prenatal and well-baby care, and other reproductive health care services.

The Alan Guttmacher Institute was originally a division of the Planned Parenthood Federation of America and became an independent not-for-profit corporation in 1977. It remains a special affiliate of the Planned Parenthood Federation of America. The Alan Guttmacher Institute conducts reproductive health and family planning research, policy analysis, and public education nationally and internationally, and it publishes journals about family planning and reproductive health.

The International Planned Parenthood Federation is a nonprofit, nongovernmental family health care organization headquartered in London and registered as a charity in the United Kingdom. It has six regional offices and 127 affiliated family planning associations, and it operates in 160 countries. It provides family planning and reproductive health services, including maternal care and screening and treatment for

sexually transmitted diseases. The International Planned Parenthood Federation is supported by financial contributions from more than 25 governments and by donations from private foundations and individuals.

The Population Council is an international, nonprofit, nongovernmental organization that conducts fundamental biomedical research in reproduction, develops contraceptives and other products related to reproductive health, works to improve the quality and outreach of family planning and reproductive health services, and conducts research on reproductive health and behavior. In addition, it works to strengthen professional resources in developing countries through collaborative research, awards, fellowships, and training. It is headquartered in New York City and has an office in Washington, D.C., 5 regional offices, and 15 offices in developing countries. In 1999, roughly half of the Population Council's staff of about 490 employees were based in developing countries.

FEDERAL FUNDS FOR THE DOMESTIC ACTIVITIES OF THE  
ALAN GUTTMACHER INSTITUTE, THE PLANNED PARENTHOOD  
FEDERATION OF AMERICA, AND THE POPULATION COUNCIL

Federal programs accounted for approximately \$119 million in fiscal year 1997 and \$127 million in fiscal year 1998 in funding for domestic activities of the Alan Guttmacher Institute, the Planned Parenthood Federation of America and its affiliates, and the Population Council. (See table 2.) HHS provided most of this funding, primarily through grants to states and territories that disbursed the funds to these organizations.

**Table 2: Federal Funds Supporting the Domestic Activity of Three Nonprofit Organizations That Support Reproductive Health Activities, Fiscal Years 1997 and 1998**

Administering agency	Authorizing congressional committee <sup>a</sup>		Expenditure	
	House	Senate	1997	1998
<b>Family planning grants</b> (Public Health Service Act, title X) <sup>b</sup>				
HHS, Office of Population Affairs	Commerce	Health, Education, Labor, and Pensions	\$46,685,122	\$52,692,060
<b>Medicaid</b> (Social Security Act, title XIX) <sup>c</sup>				
HHS, Health Care Financing Administration	Commerce	Finance	34,121,631	36,195,038
<b>Social Services Block Grants</b> (Social Security Act, title XX)				
HHS, Administration for Children and Families	Ways and Means	Finance	22,464,248	18,367,344
<b>Maternal and Child Health Services Block Grants</b> (Social Security Act, title V) <sup>d</sup>				
HHS, Health Resources and Services Administration	Commerce	Finance	5,046,413	3,377,485
<b>Research project grants</b> (Public Health Service Act, title IV) <sup>e</sup>				
HHS, National Institutes of Health	Commerce	Health, Education, Labor, and Pensions	4,252,312	5,663,433
<b>Telecommunications Information and Infrastructure Assistance Grants</b> (Communications Act of 1934, sec. 392)				
Department of Commerce, National Telecommunications and Information Administration	Commerce	Commerce, Science, and Transportation	74,137	0
<b>Additional federal payments to Planned Parenthood affiliates<sup>f</sup></b>				
Multiple sources			6,165,751	10,550,174
<b>Total</b>			<b>\$118,809,616</b>	<b>\$126,845,534</b>

Note: Complete fiscal year 1999 expenditure data are not available for Planned Parenthood Federation of America. It reported title X expenditures of \$378,244, but no expenditure data for any of the programs are available for its affiliates. The Alan Guttmacher Institute reported estimated fiscal year 1999 expenditures of \$862,632 for title X and \$88,107 for NIH research project grants. The Population Council reported receiving \$5,518,283 in NIH research project grants for fiscal year 1999 and \$55,914 from the National Science Foundation.

<sup>a</sup>The Committee on Appropriations in the Senate and in the House through their subcommittees on Labor, Health and Human Services, and Education and Commerce, Justice, State, and the Judiciary have jurisdiction over legislation appropriating funds for these programs and activities.

<sup>b</sup>Includes \$46,295,996 that the Planned Parenthood Federation of America spent in fiscal year 1997 and \$52,148,706 in fiscal year 1998. The Alan Guttmacher Institute spent \$389,126 in fiscal year 1997 and \$543,354 in fiscal year 1998. The Population Council received no title X funds for either year.

<sup>c</sup>Includes state matching funds of approximately \$3.4 million in fiscal year 1997 and \$3.6 million in fiscal year 1998.

<sup>d</sup>Includes a state match of \$3 for every \$4 of federal funds.

<sup>e</sup>Includes \$4,038,541 that the Population Council spent in fiscal year 1997 and \$5,410,513 that it spent in fiscal year 1998. Other expenditures were by the Alan Guttmacher Institute. Funds from the National Institutes of Health are provided directly to recipient organizations.

<sup>f</sup>Additional federal payments to Planned Parenthood affiliates include federal funds for other health care, acquired immunodeficiency syndrome (AIDS), and nutrition services. Additional federal funding data that Planned Parenthood Federation of America affiliates provided did not always identify specific sources of funds and related funding amounts. In some cases, funding amounts for multiple programs were combined.

Source: GAO analysis of reports and independently audited annual financial reports prepared in compliance with Office of Management and Budget (OMB) Circular A-133.

Title X of the Public Health Service Act authorizes grants for voluntary family planning services, primarily for low-income women. Title X also provides funding for training nurse practitioners and for health research about family planning services.<sup>3</sup> Title X grantees include state and territorial health departments, local health departments, hospitals, and other organizations. Of the three nonprofit organizations we reviewed that received federal funds for domestic activities, two—the Alan Guttmacher Institute and the Planned Parenthood Federation of America and its affiliates—received title X funds from fiscal year 1997 through fiscal year 1999. In fiscal year 1998, title X funds spent by these two organizations were about \$53 million. Grantees can dispense title X funds to other agencies to provide services or to support clinics. Although there are no matching requirements for grants, regulations specify that no clinic may be fully supported by title X funds. The Public Health Service Act also prohibits the use of title X funds in programs in which abortion is a method of family planning.

Title XIX of the Social Security Act authorizes Medicaid grants to the states and requires state Medicaid programs to cover family planning services. The Health Care Financing Administration (HCFA) pays 90 percent and states pay 10 percent of Medicaid's payments for family planning services and supplies furnished to beneficiaries. This sharing formula applies only to family planning services and supplies, defined as services intended to affect family size. Other covered Medicaid services provided by Planned Parenthood centers, including abortion when permitted under law, are reimbursed under

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<sup>3</sup>The Planned Parenthood Federation of America received such training grants of \$688,070 in fiscal year 1997, \$857,434 in fiscal year 1998, and \$957,900 in fiscal year 1999. In addition, the Alan Guttmacher Institute received \$527,361 of title X funds in fiscal year 1997, \$828,999 in fiscal year 1998, and \$350,238 in fiscal year 1999 for assessing family planning and reproductive health needs and services in the United States.

standard federal-state payment formulas.<sup>4</sup> HCFA's most recently published state data show that in fiscal year 1998, Medicaid paid about \$449 million (0.3 percent of Medicaid payments for claims) for family planning services. States do not report to HCFA services that Planned Parenthood affiliates provide separately from other providers.

The Social Security Act authorizes the Maternal and Child Health Services Block Grant (MCHBG), title V, and the Social Services Block Grant (SSBG), title XX. MCHBG and SSBG funds are distributed by formula to state and territorial health and social service agencies. Federal MCHBG funds are matched by states which are required to provide a \$3 match for each \$4 of federal funds.) Each state determines the use of the combined funds for MCHBG and its federal SSBG funds. Under either block grant, state agencies may fund family planning activities directly or purchase them from Planned Parenthood affiliates or others. The most recent SSBG data show that in fiscal year 1998, states and territories used about \$42.4 million, or 1.5 percent, of their SSBG funds for family planning services.

Title IV and section 301 of the Public Health Service Act authorize the National Institutes of Health (NIH) to award research project grants. NIH awarded research grants to the Population Council totaling about \$4 million in fiscal year 1997 and about \$5 million in fiscal year 1998. The NIH institutes and centers funding these grants were the National Institute of Allergy and Infectious Diseases, the National Institute of Child Health and Human Development, the National Institute of Diabetes and Digestive and Kidney Diseases, and the Fogarty International Center. Also, in 1997, the Alan Guttmacher Institute spent \$213,771 under two research project grants previously awarded by NIH's National Institute of Child Health and Human Development's Center for Population Research, Demographic, and Behavioral Sciences Branch to study contraceptive effectiveness and health behaviors of pregnant women.

Under section 392 of the Communications Act of 1934, which authorizes the Telecommunications and Information Infrastructure Assistance Grants in the Department of Commerce, the National Telecommunications and Information Administration, through its Office of Telecommunications and Information Applications, awarded in 1994 a matching grant to the Planned Parenthood Federation of America for developing a computerized information system for collecting and exchanging data on reproductive health care. Some of these funds, \$74,137, were spent in fiscal year 1997—the last year funds were spent under this grant.

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<sup>4</sup>Except for family planning services and services provided through Indian Health Service facilities, the federal portion of payments for Medicaid services is set annually for each state by a formula and may range from 50 to 83 percent, based on state per capita income.

**FEDERAL FUNDS FOR THE INTERNATIONAL ACTIVITIES  
OF THE ALAN GUTTMACHER INSTITUTE, PLANNED PARENTHOOD  
ORGANIZATIONS, AND THE POPULATION COUNCIL**

For fiscal years 1997 through 1999, the Alan Guttmacher Institute, Family Planning International Assistance, the International Planned Parenthood Federation and its regional offices and affiliated family planning associations, and the Population Council received annual financial support for international activities from AID. The total amount of federal funding was about \$51 million for fiscal year 1997 and \$52 million each for fiscal years 1998 and 1999. (See table 3.)

**Table 3: AID Funds Supporting the International Activity of Four Nonprofit Organizations That Support Reproductive Health Activities, Fiscal Years 1997-99**

Recipient	Expenditure		
	1997	1998	1999
<b>Population Council</b>	\$24,204,184	\$30,053,254	\$34,157,190 <sup>a</sup>
<b>International Planned Parenthood Federation and its regional offices</b>			
International Planned Parenthood Federation grants <sup>b</sup>	7,146,000	5,739,000	5,800,000
Western Hemisphere region Cooperative agreement <sup>b</sup>	5,299,000 <sup>c</sup>	0	0
Contraceptive shipments	1,142,243 <sup>d</sup>	2,572,425 <sup>d</sup>	1,578,364 <sup>d</sup>
<b>International Planned Parenthood family planning associations</b>			
Bilateral assistance <sup>b</sup>	8,125,000	8,926,000	8,449,000
Subprojects with cooperating agencies <sup>b</sup>	3,298,000	3,747,000	1,867,000
<b>Family Planning International Assistance<sup>e</sup></b>	1,627,283	6,859	0
<b>Alan Guttmacher Institute</b>	413,952	550,313	572,765 <sup>a</sup>
<b>Total</b>	<b>\$51,255,662</b>	<b>\$51,594,851</b>	<b>\$52,424,319</b>

Note: The Senate Foreign Relations Committee and the House Committee on International Relations have jurisdiction over the authorization of AID activities. The Committee on Appropriations in the Senate and in the House through their subcommittees on Foreign Operations have jurisdiction over legislation appropriating funds for these activities.

<sup>a</sup>Estimates of fiscal 1999 expenditures.

<sup>b</sup>These are obligation data that AID provided.

<sup>c</sup>Fiscal year 1997 obligations for the Western Hemisphere region were from fiscal year 1996 funds obligated early in fiscal year 1997.

<sup>d</sup>Value ascribed by AID.

<sup>e</sup>Family Planning International Assistance is the international services division of the Planned Parenthood Federation of America. Expenditures include the value of contraceptive shipments and pass-through funds from Family Health International.

Sources: AID's Office of Population, GAO analysis of independently audited annual financial reports prepared in compliance with OMB Circular A-133, and unaudited fiscal year 1999 data provided by the nonprofit organizations.

AID provides funding assistance through direct grants and cooperative agreements, among other things. A cooperative agreement is a grant under which substantial involvement is anticipated between AID and the recipient—called a cooperating agency—during the performance of a funded activity. AID missions fund some International Planned Parenthood family planning associations directly. AID's cooperating agencies may also support some International Planned Parenthood family planning associations through subgrants.

AID grants to the International Planned Parenthood Federation are used to introduce, expand, and improve family planning and reproductive health information and services through its affiliated network of indigenous family planning associations. AID's cooperative agreement with the International Planned Parenthood Federation's Western Hemisphere region was used to improve and expand family planning services in Latin America and the Caribbean and to incorporate AIDS and other sexually transmitted disease prevention services into family planning programs. In addition, one AID mission had awarded a grant directly to Family Planning International Assistance, the international service division of Planned Parenthood Federation of America, to initiate a family planning and birth spacing program in Cambodia.

The Alan Guttmacher Institute receives, through a subagreement, funding from AID for publishing an international journal in English, French, and Spanish about family planning and reproductive health issues. AID grants to the Population Council are used to promote the use of operations research to improve the quality, accessibility, and cost-effectiveness of reproductive health programs; conduct research on adolescent livelihoods and the transition to marriage and adulthood; and conduct field-based operations research in developing countries to identify best practices for the prevention on HIV and AIDS and other sexually transmitted diseases.

Officials from AID, HHS, the Alan Guttmacher Institute, the Planned Parenthood Federation of America, and the Population Council reviewed this correspondence and provided additional information and technical comments, which we incorporated where appropriate. HHS officials commented that the dollar amounts they provided to us for domestic program funding were different from the amounts we used in this correspondence. Some of the information HHS provided was obligation data, while we used federal funds expended by the nonprofit organizations in fiscal years 1997 and 1998 as reported in audited financial reports and other documents. For consistency, we used the same sources of expenditure data that we used for our 1998 correspondence, which this correspondence updates.

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As we agreed with your offices, we are sending copies of this letter to the relevant congressional committees, the Secretary of HHS, the Acting Inspector General of AID, the Planned Parenthood Federation of America, the Alan Guttmacher Institute, and the Population Council. We will also make copies available to others on request.

Major contributors to this letter were James O. McClyde and Paul T. Wagner, Jr. Please contact me at (202) 512-7119 if you have any questions.

A handwritten signature in black ink that reads "Janet Heinrich". The signature is written in a cursive, flowing style.

Janet Heinrich  
Associate Director, Health Financing and  
Public Health Issues