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United States General Accounting Office  
Washington, DC 20548

November 13, 2001

The Honorable Joseph R. Pitts  
The Honorable Christopher H. Smith  
House of Representatives

Subject: Reproductive Health: Federal Funds That Supported Four Nonprofit Organizations

This letter responds to your request that we identify the amount of federal funding for fiscal years 1999 and 2000 that supported the domestic and international reproductive health activities of four nonprofit organizations and their affiliates—the Planned Parenthood Federation of America, the Population Council, the International Planned Parenthood Federation, and The Alan Guttmacher Institute—in addition to identifying the federal agencies that provided the funds and the congressional committees with jurisdiction to authorize or appropriate them. This information updates our letter of July 18, 2000, that provided funding information for fiscal years 1997 through 1998.<sup>1</sup>

In brief, the Planned Parenthood Federation of America and its affiliates, the Population Council, the International Planned Parenthood Federation and its affiliated associations, and The Alan Guttmacher Institute used approximately \$184 million in federal funds for fiscal year 1999 and about \$196 million in federal funds for fiscal year 2000 to support domestic and international activities related to reproductive health for individuals. (See table 1.) The Department of Health and Human Services (HHS) and the U.S. Agency for International Development (USAID) were the major sources of these funds. Four committees in the Senate—Commerce, Science, and Transportation; Finance; Foreign Relations; and Health, Education, Labor, and Pensions—and four committees in the House of Representatives—Energy and Commerce, International Relations, Science, and Ways and Means—have jurisdiction over the authorization of the programs under which the funding was provided. In addition, the Senate and House Committees on Appropriations each have subcommittees that have jurisdiction over the appropriations for the programs

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<sup>1</sup>Reproductive Health: Federal Funds Provided to Four Nonprofit Organizations (GAO/HEHS-00-147R, July 18, 2000).

through which the funds are provided.<sup>2</sup> We received technical comments on a draft of this correspondence from HHS, USAID, the Planned Parenthood Federation of America, the Population Council, and The Alan Guttmacher Institute.

**Table 1: Federal Funds That Supported the Domestic and International Reproductive Health Activities of Four Nonprofit Organizations, Fiscal Years 1999 and 2000**

<b>Organizations</b>	<b>Fiscal year 1999</b>	<b>Fiscal year 2000</b>
Planned Parenthood Federation of America and its affiliates	\$125,751,924	\$137,337,724
Population Council	39,731,387	\$41,347,381
International Planned Parenthood Federation and its affiliated associations	17,169,818	15,768,328
The Alan Guttmacher Institute	890,435	1,113,712
<b>Total</b>	<b>\$183,543,564</b>	<b>\$195,567,145</b>

Source: GAO analysis.

To obtain the information to respond to your request, we collected data from and held discussions with officials from HHS, USAID, the Planned Parenthood Federation of America, the Population Council, and The Alan Guttmacher Institute. Data for the International Planned Parenthood Federation were obtained from USAID. The nonprofit organizations provided independently audited financial statements and reports on expenditures of federal funds that were prepared in compliance with Office of Management and Budget Circular A-133. Except where noted, we used the expenditure data that the nonprofit organizations reported. We conducted our work from July through October 2001 in accordance with generally accepted government auditing standards.

## BACKGROUND

The Planned Parenthood Federation of America—a nonprofit organization headquartered in New York City—and its 128 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 2.6 million women and men and educational services to 1.5 million individuals. The affiliates and their clinics provide family planning counseling and

<sup>2</sup>The Senate Appropriations subcommittees on Labor, Health and Human Services, and Education; Foreign Operations; and Veterans Affairs (VA), Housing and Urban Development (HUD) and Independent Agencies and the House Appropriations subcommittees on Labor, Health and Human Services and Education; Foreign Operations, Export Financing, and Related Programs; and VA, HUD and Independent Agencies.

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

The International Planned Parenthood Federation is a nonprofit, family health care organization headquartered in London and registered as a charity in the United Kingdom. It has 6 regional offices, including one in the United States, 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 Alan Guttmacher Institute was originally a division of the Planned Parenthood Federation of America and became an independent nonprofit corporation in 1977 with offices in New York City and Washington, D.C. It remains a special affiliate of the Planned Parenthood Federation of America. The Alan Guttmacher Institute conducts reproductive health and family planning research and policy analysis, provides public education nationally and internationally, and publishes journals about family planning and reproductive health.

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

The three nonprofit organizations that support domestic reproductive health activities—the Planned Parenthood Federation of America and its affiliates, the Population Council, and the The Alan Guttmacher Institute—reported spending approximately \$132 million in federal funds provided for fiscal year 1999 and \$143 million for fiscal year 2000.<sup>3</sup> Some of the activities these organizations support include family planning and reproductive health services for individuals and

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<sup>3</sup>The International Planned Parenthood Federation had no expenditures of federal funds for domestic activities.

reproductive health research. HHS programs provided most of this funding through federal payments and grants to states and territories that disbursed the funds to the three organizations. The Senate Committee on Health, Education, Labor and Pensions and the House Committee on Energy and Commerce have jurisdiction over the authorization of the federal programs that provided most of the funds. (See tables 2 and 3.)

**Table 2: Sources of Federal Funds Expended by Three Nonprofit Organizations for Domestic Reproductive Health Activities, Fiscal Year 1999**

Program/ administering agency	Authorizing congressional committee <sup>a</sup>	Nonprofit organizations' fiscal year 1999 expenditures			
		Planned Parenthood Federation of America	Population Council	The Alan Guttmacher Institute	Total
<b>Family planning grants</b>					
HHS, Office of Population Affairs	Senate Health, Education, Labor, and Pensions; House Energy and Commerce	\$51,051,270	\$0	\$350,328	\$51,401,598
<b>Medicaid</b>					
HHS, Health Care Financing Administration <sup>b</sup>	Senate Health, Education, Labor, and Pensions; House Energy and Commerce	38,933,177	0	0	38,933,177
<b>Social services block grants</b>					
HHS, Administration for Children and Families	Senate Finance; House Ways and Means	17,354,752	0	0	17,354,752
<b>Maternal and child health services block grants</b>					
HHS, Health Resources and Services Administration	Senate Finance and Senate Health, Education, Labor, and Pensions; House Energy and Commerce	5,115,032	0	0	5,115,032
<b>Research project grants</b>					
HHS, National Institutes of Health	Senate Health, Education, Labor, and Pensions; House Energy and Commerce	0	5,290,148	88,107 <sup>c</sup>	5,378,255
<b>Research grants</b>					
National Science Foundation, Directorate for Biological Sciences	Senate Commerce, Science, and Transportation; House Science	0	55,914	0	55,914
<b>Other</b>					
Other federal programs <sup>d</sup>	Not available	13,297,693	0	0	13,297,693
<b>Totals</b>		<b>\$ 125,751,924</b>	<b>\$5,346,062</b>	<b>\$438,435</b>	<b>\$131,536,421</b>

<sup>a</sup>The Senate and House Committees on Appropriations, through their subcommittees on Labor, Health and Human Services and Education and VA, HUD and Independent Agencies, have jurisdiction over legislation appropriating funds for these programs and activities.

<sup>b</sup>In fiscal year 2001, the Health Care Financing Administration's name changed to the Centers for Medicare and Medicaid Services.

<sup>c</sup>Funds were from a research project grant previously awarded by the National Institutes of Health's National Institute of Child Health and Human Development's Center for Population Research, Demographic, and Behavioral Sciences Branch.

<sup>d</sup>Data are for Planned Parenthood Federation of America's affiliates that did not identify specific sources of funds and related funding amounts.

Source: GAO analysis of independently audited annual financial reports.

**Table 3: Sources of Federal Funds Expended by Three Nonprofit Organizations for Domestic Reproductive Health Activities, Fiscal Year 2000**

Program/ administering agency	Authorizing congressional committee <sup>a</sup>	Nonprofit organizations' fiscal year 2000 expenditures			
		Planned Parenthood Federation of America	Population Council	The Alan Guttmacher Institute	Total
<b>Family planning grants</b>					
HHS, Office of Population Affairs	Senate Health, Education, Labor, and Pensions; House Energy and Commerce	\$54,578,663	\$0	\$526,584	\$55,105,247
<b>Medicaid</b>					
HHS, Health Care Financing Administration <sup>b</sup>	Senate Health, Education, Labor, and Pensions; House Energy and Commerce	42,058,942	0	0	42,058,942
<b>Social services block grants</b>					
HHS, Administration for Children and Families	Senate Finance; House Ways and Means	21,603,526	0	0	21,603,526
<b>Maternal and child health services block grants</b>					
HHS, Health Resources and Services Administration	Senate Finance and Senate Health, Education, Labor, and Pensions; House Energy and Commerce	4,819,161	0	0	4,819,161
<b>Research project grants</b>					
HHS, National Institutes of Health	Senate Health, Education, Labor, and Pensions; House Energy and Commerce	0	4,861,155	0	4,861,155
<b>Research grants</b>					
National Science Foundation, Directorate for Biological Sciences	Senate Commerce, Science, and Transportation; House Science	0	42,686	0	42,686
<b>Other</b>					
Other federal programs <sup>c</sup>	Not available	14,277,432	0	0	14,277,432
<b>Totals</b>		<b>\$137,337,724</b>	<b>\$4,903,841</b>	<b>\$526,584</b>	<b>\$142,768,149</b>

<sup>a</sup>The Senate and House Committees on Appropriations, through their subcommittees on Labor, Health and Human Services, and Education and VA, HUD and Independent Agencies, have jurisdiction over legislation appropriating funds for these programs and activities.

<sup>b</sup>In fiscal year 2001, the Health Care Financing Administration's name changed to the Centers for Medicare and Medicaid Services.

<sup>c</sup>Data are for Planned Parenthood Federation of America's affiliates that did not identify specific sources of funds and related funding amounts.

Source: GAO analysis of independently audited annual financial reports.

The following HHS programs provided the majority of federal funding for the nonprofit organizations' domestic reproductive health expenditures:

Family Planning Grants—Title X of the Public Health Service Act (42 U.S.C. §§ 300 et seq.) authorizes grants for voluntary family planning services, primarily for low-income women. Title X grants also provided funding for training nurse practitioners until July 2000 and for health research to improve the delivery of family planning services. Title X grantees include state and territorial health departments, local health departments, hospitals, and other organizations. 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 title X grant may fund 100 percent of a project. The Public Health Service Act also prohibits the use of title X funds in programs in which abortion is a method of family planning. Family planning grants provided about \$51 million to the Planned Parenthood Federation of America and about \$350,000 to The Alan Guttmacher Institute for fiscal year 1999 and about \$55 million and \$527,000, respectively, for fiscal year 2000. The Alan Guttmacher Institute receives funds from HHS for compiling and publishing research and data on the provision of domestic family planning services.

Medicaid—Title XIX of the Social Security Act (42 U.S.C. §§ 1396 et seq.) authorizes Medicaid grants to the states and requires state Medicaid programs to cover family planning services. Medicaid is a joint federal/state entitlement that annually finances health care coverage for more than 40 million low-income individuals, most of whom are children. The federal government 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 those family planning services and supplies intended to increase or decrease family size, such as counseling and patient education and methods of contraception. Other covered Medicaid services provided by Planned Parenthood centers, including abortion when permitted under law, are reimbursed under standard federal-state payment formulas.<sup>4</sup> Medicaid provided about \$39 million to the Planned Parenthood Federation of America for fiscal year 1999 and about \$42 million for fiscal year 2000.

Social Services Block Grants (SSBG) and Maternal and Child Health Services Block Grants (MCHBG)—Title XX of the Social Security Act (42 U.S.C. §§ 1397

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<sup>4</sup>The federal portion of payments for most Medicaid services is set annually for each state by a formula based on state per capita income and may range from 50 to 83 percent.

et seq.) authorizes the SSBG, and title V of the act (42 U.S.C. §§ 701 et seq.) authorizes the MCHBG. These two block grant funds are distributed by formula to state and territorial health and social service agencies. Federal MCHBG funds are matched by state funds; states provide \$3 of nonfederal funds for every \$4 of MCHBG funds. Each state determines the use of the combined funds for its federal SSBG and MCHBG funds. Under either block grant, state agencies may fund family planning activities directly or purchase them from Planned Parenthood affiliates or others. For fiscal year 1999, SSBG provided about \$17 million and MCHBG provided about \$5 million to the Planned Parenthood Federation of America and about \$22 million and about \$5 million, respectively, for fiscal year 2000.

Research Project Grants—the National Institutes of Health (NIH) award research project grants under Title IV and section 301 of the Public Health Service Act (42 U.S.C. §§ 281 et seq. and 42 U.S.C. § 241 respectively). The NIH institutes and centers funding these grants include 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 National Institute of Environmental Health Services. Funds from NIH are provided directly to recipient organizations. NIH research project grants provided about \$5 million to the Population Council and about \$88,000 to The Alan Guttmacher Institute for fiscal year 1999 and about \$5 million to the Population Council for fiscal year 2000.

The National Science Foundation (NSF), through the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861 et seq.) is authorized to award research grants. NSF's Directorate for Biological Sciences, Division of Integrative Biology and Neuroscience, funds research that focuses on understanding multifaceted relationships among the central nervous system, hormones, and behavior, especially in relation to environmental factors. NSF research grants provided about \$56,000 to the Population Council for fiscal year 1999 and about \$43,000 for fiscal year 2000. The grants funded research on the behavioral and biological effects of chronic social stress.

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

For fiscal years 1999 and 2000, the Population Council, the International Planned Parenthood Federation and its affiliated family planning associations, and The Alan Guttmacher Institute received financial support for international activities from USAID. The total amount of federal funding was about \$52 million for fiscal year 1999 and \$53 million for fiscal year 2000. (See table 4.)

**Table 4: Federal Funds Expended by Three Nonprofit Organizations for International Reproductive Health Activities, Fiscal Years 1999 and 2000**

Organization	Fiscal year expenditures	
	1999	2000
Population Council	\$34,385,325	\$36,443,540
International Planned Parenthood Federation	5,800,000 <sup>a</sup>	5,000,000 <sup>a</sup>
Contraceptive shipments	1,465,818 <sup>a,b</sup>	993,328 <sup>a</sup>
International Planned Parenthood family planning associations		
Direct agreements through USAID	8,092,000 <sup>b</sup>	7,531,000 <sup>a</sup>
Subagreements through U.S.-based agencies	1,812,000 <sup>b</sup>	2,244,000
The Alan Guttmacher Institute	452,000 <sup>b</sup>	587,128
Totals	\$52,007,143 <sup>b</sup>	\$52,798,996

Notes: The Senate Committee on Foreign Relations and the House Committee on International Relations have jurisdiction over the authorization of USAID activities. The Senate and House Committees on Appropriations, through their subcommittees responsible for foreign operations, have jurisdiction over legislation appropriating funds for these activities. All funds were provided by USAID.

<sup>a</sup>These figures represent obligations.

<sup>b</sup>Amounts differ from those reported in our July 2000 correspondence because they have been updated by USAID.

Source: USAID's Office of Population and the Population Council.

USAID provides funding support through direct grants and other mechanisms, such as cooperative agreements. Under a cooperative agreement, substantial involvement is anticipated between USAID and the recipient—called a cooperating agency—during the performance of a funded activity.

USAID grants to the Population Council are used, among other things, to promote the use of 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; conduct field-based research in developing countries to identify best practices for the prevention of HIV/AIDS and other sexually transmitted diseases; and undertake research on new and improved contraceptive methods, including methods that protect against HIV and other diseases. USAID provides grant funding to the International Planned Parenthood Federation headquarters. These grants are used to introduce, expand, and improve family planning and reproductive health information and services through its affiliated network of indigenous family planning associations. USAID also provides

support to family planning associations. This support includes funding directly through agreements between USAID and the associations and indirectly through agreements between USAID and U.S.-based agencies that have subagreements with other entities. The Alan Guttmacher Institute receives funding from USAID for publishing an international journal about family planning and reproductive health issues in English, French, and Spanish.

We provided a draft of this correspondence to HHS, USAID, and others for their review. HHS, USAID, the Planned Parenthood Federation of America, the Population Council, and The Alan Guttmacher Institute provided technical comments, which we incorporated where appropriate.

We are sending copies of this letter to the relevant congressional committees, the Secretary of Health and Human Services, and the Administrator of the U.S. Agency for International Development. We will also make copies available to others on request. This letter will also be available on GAO's home page at <http://www.gao.gov>. Please contact me at (202) 512-7119 if you have any questions. Major contributors to this letter were James O. McClyde and Darryl W. Joyce.

A handwritten signature in black ink that reads "Janet Heinrich". The signature is written in a cursive style with a large initial "J".

Janet Heinrich  
Director, Health Care—Public Health Issues

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