



United States General Accounting Office
Washington, DC 20548

May 16, 2003

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

Subject: *Federal Funds: Fiscal Year 2001 Expenditures by Selected Organizations Involved in Health-Related Activities*

This report responds to your request that we provide information on expenditures of federal funds by several organizations and their affiliates—the Planned Parenthood Federation of America, the Population Council, the International Planned Parenthood Federation, The Alan Guttmacher Institute, Advocates for Youth, and the Sexuality Information and Education Council of the United States (SIECUS)—all of which are involved in health-related activities. Specifically, as agreed with your staff, we identified (1) fiscal year 2001 expenditures of federal funds that supported the domestic health-related activities of the organizations, the federal agencies that provided the funds, and the congressional committees with jurisdiction over legislation authorizing or appropriating the federal funds, and (2) fiscal year 2001 expenditures of federal funds that supported the international health-related activities of the organizations, the federal agencies that provided the funds, and the congressional committees with jurisdiction over legislation authorizing or appropriating the federal funds. This information updates our November 13, 2001, report that provided expenditure information for fiscal years 1999 and 2000.¹

In response to your request, we collected information on each of the selected organizations and their expenditures of federal funds, the federal agencies that provided the funds, and the congressional committees with jurisdiction over legislation authorizing or appropriating the funds. We obtained documents and held discussions with representatives from several of the organizations, federal officials, and congressional staff members. To obtain the organizations' fiscal year 2001 financial information, we collected information on expenditures of federal funds for domestic health-related activities from the organizations that had such expenditures—the Planned Parenthood Federation of America, the Population Council, The Alan Guttmacher Institute, Advocates for Youth, and SIECUS. These organizations also provided their independently audited financial statements and

¹U.S. General Accounting Office, *Reproductive Health: Federal Funds That Supported Four Nonprofit Organizations*, [GAO-02-81R](#) (Washington, D.C.: Nov. 13, 2001).

reports on expenditures of federal funds.² For the organizations that had expenditures of federal funds for international health-related activities, we collected expenditure data directly from three of the organizations—the Population Council, The Alan Guttmacher Institute, and Advocates for Youth. These organizations also provided their independently audited financial statements. The U.S. Agency for International Development (USAID) reported fiscal year 2001 expenditure data for the International Planned Parenthood Federation’s headquarters and the International Planned Parenthood Federation’s member family planning associations. We collected information on the organizations’ expenditures of federal funds and did not determine the total amount of federal funds that federal agencies provided the organizations. We collected information from the Department of Health and Human Services’ Office of Public Health and Science to update information it provided for our November 2001 report. We held discussions with staff members from each of the relevant congressional committees to confirm committee jurisdiction over legislation authorizing the federal agency programs and funding and appropriating the program funds that supported the organizations’ activities. In the course of our work, USAID and The Alan Guttmacher Institute revised fiscal year 2000 expenditures of federal funds for international activities that we reported in November 2001. (See enclosure I for this revised information.) We conducted our work from January 2003 through April 2003 in accordance with generally accepted government auditing standards.

Results in Brief

For fiscal year 2001, the total amount of federal funds expended by the organizations for domestic and international health-related activities, such as family planning for individuals and health-related research, was approximately \$225 million. (See table 1.) The Planned Parenthood Federation of America and its affiliates, the Population Council, The Alan Guttmacher Institute, Advocates for Youth, and SIECUS reported spending approximately \$170 million in federal funds to support their domestic health-related activities.

²With the exception of SIECUS’s financial statements, all the statements were prepared in compliance with Office of Management and Budget Circular A-133. The independently audited financial statements that SIECUS provided were not subject to the Circular A-133 requirement because the organization’s expenditures of federal funds were less than the \$300,000 annual minimum required under Circular A-133. The 12-month fiscal year periods that the organizations’ year-end financial statements covered varied.

Table 1: Organizations’ Expenditures of Federal Funds for Domestic and International Health-Related Activities, Fiscal Year 2001

| Organization | Fiscal year 2001 expenditures ^a | |
|---|--|---------------------|
| | Domestic | International |
| Planned Parenthood Federation of America and its affiliates | \$161,986,202 | \$ 0 |
| Population Council | 6,513,859 | 30,701,137 |
| International Planned Parenthood Federation’s member family planning associations | 0 | 23,413,217 |
| The Alan Guttmacher Institute | 372,120 | 798,194 |
| Advocates for Youth | 499,734 | 132,160 |
| SIECUS | 218,400 | 0 |
| Total | \$169,590,315 | \$55,044,708 |

Sources: The Planned Parenthood Federation of America, the Population Council, USAID, The Alan Guttmacher Institute, Advocates for Youth, and SIECUS.

Note: The International Planned Parenthood Federation’s headquarters received no federal funds for fiscal year 2001.

^aThe 12-month fiscal year periods for the organizations’ expenditures varied.

The Department of Health and Human Services’ (HHS) grants and programs were the major sources of the federal funds that the organizations spent for domestic health-related activities. Two committees in the Senate—Finance; and Health, Education, Labor, and Pensions—and two committees in the House of Representatives—Energy and Commerce, through its Subcommittee on Health; and Ways and Means—have jurisdiction over legislation authorizing the programs through which most of the federal funds were provided. In addition, the Senate and House committees on appropriations each have subcommittees that have jurisdiction over legislation appropriating funds for the federal programs.

The Population Council, the International Planned Parenthood Federation’s member family planning associations, The Alan Guttmacher Institute, and Advocates for Youth reported spending more than \$55 million for international health-related activities. (See table 1.) USAID and the Centers for Disease Control and Prevention (CDC) within HHS were the sources of the federal funds that the organizations spent. Two committees in the Senate—Foreign Relations; and Health, Education, Labor, and Pensions—and two committees in the House of Representatives—Energy and Commerce, through its Subcommittee on Health; and International Relations—have jurisdiction over legislation authorizing the programs through which the federal funds were provided. In addition, the Senate and House committees on appropriations, through their subcommittees on foreign operations; and labor, health and human services, and education, have jurisdiction over legislation appropriating funds for the federal programs.

In response to HHS’s comments on a draft of this report, we revised the report to better reflect the scope of our work and indicated that this report updates the information in our November 13, 2001, report.

Background

The Planned Parenthood Federation of America—a nonprofit organization headquartered in New York City—and its 126 affiliates, with 865 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 2001, the affiliates provided health care to 2.7 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 health care services.

The Population Council is an international, nonprofit research organization. It is headquartered in New York City, has an office in Washington, D.C., 4 regional offices, and 14 other offices in developing countries. In 2002, about half of the Population Council's staff of about 600 employees was based in developing countries. The Population Council conducts biomedical research and develops contraceptives and other health products including those that protect against the transmission of HIV/AIDS and other sexually transmitted diseases. The Population Council also conducts research on trends in health and research aimed at improving the quality and outreach of family planning and reproductive health services. In addition, the Population Council strengthens professional resources in developing countries through collaborative research awards, fellowships, and training.

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 six regional offices, including one in the United States. The International Planned Parenthood Federation is a volunteer membership organization of autonomous legal entities called family planning associations. These associations are linked to the International Planned Parenthood Federation through common standards and objectives. The International Planned Parenthood Federation operates in conjunction with member family planning associations in 180 countries to provide family planning and reproductive health services, including maternal care and screening and treatment for sexually transmitted diseases.

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 an 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.

Advocates for Youth, established in 1980 as the Center for Population Options, is a nonprofit organization that works in the United States and developing countries, supporting efforts to help young people make informed and responsible decisions about their reproductive and sexual health. Advocates for Youth provides information, training, and assistance to educators, health care providers, youth-serving organizations, and others about best reproductive health practices for teens for the prevention of pregnancy and HIV and other sexually transmitted disease. In 2002, Advocates for Youth worked with more than 37,000 professionals who provided information and assistance to more than 10 million teens around the world to help them make decisions about their reproductive health.

SIECUS, established in 1964, is a nonprofit organization with offices in New York City and Washington, D.C. SIECUS develops, collects, and disseminates information; promotes comprehensive education; and advocates the right of individuals to make responsible sexual choices.

Federal Funds Expended for Domestic Health-Related Activities

For fiscal year 2001, the Planned Parenthood Federation of America and its affiliates, the Population Council, The Alan Guttmacher Institute, Advocates for Youth, and SIECUS reported spending approximately \$170 million in federal funds for domestic health-related activities. Some of the domestic health-related activities these organizations support include family planning and reproductive health services for individuals and health research. HHS provided most of this federal funding through grants and the Medicaid program. (See table 2.)

Table 2: Organizations' Expenditures of Federal Funds for Domestic Health-Related Activities, Fiscal Year 2001

| Federal source of funding | Organizations' fiscal year 2001 expenditures ^a | | | | | |
|--|---|--------------------|-------------------------------|---------------------|------------------|----------------------|
| | Planned Parenthood Federation of America and its affiliates | Population Council | The Alan Guttmacher Institute | Advocates for Youth | SIECUS | Total |
| Family planning grants | | | | | | |
| HHS, Office of Population Affairs | \$58,711,763 | \$0 | \$315,320 | \$0 | \$0 | \$59,027,083 |
| Medicaid | | | | | | |
| HHS, Centers for Medicare & Medicaid Services | 60,878,913 | 0 | 0 | 0 | 0 | 60,878,913 |
| Social Services Block Grant | | | | | | |
| HHS, Administration for Children and Families | 19,009,295 | 0 | 0 | 0 | 0 | 19,009,295 |
| Maternal and Child Health Services Block Grant | | | | | | |
| HHS, Health Resources and Services Administration | 5,994,185 | 0 | 0 | 0 | 0 | 5,994,185 |
| Research project grants | | | | | | |
| HHS, National Institutes of Health | 0 | 6,461,613 | 56,800 | 0 | 0 | 6,518,413 |
| Research grants | | | | | | |
| National Science Foundation, Directorate for Biological Sciences | 0 | 52,246 | 0 | 0 | 0 | 52,246 |
| Cooperative agreements | | | | | | |
| HHS, CDC | 0 | 0 | 0 | 499,734 | 218,400 | 718,134 |
| Other | | | | | | |
| Other federal programs | 17,392,046 ^b | 0 | 0 | 0 | 0 | 17,392,046 |
| Total | \$161,986,202 | \$6,513,859 | \$372,120 | \$499,734 | \$218,400 | \$169,590,315 |

Sources: The Planned Parenthood Federation of America, the Population Council, The Alan Guttmacher Institute, Advocates for Youth, and SIECUS.

Note: GAO analysis of the organizations' data.

^aThe 12-month fiscal year periods that the organizations' year-end financial statements covered varied.

^bData are for the Planned Parenthood Federation of America's affiliates that did not identify specific sources of funds and related funding amounts.

The majority of federal funding that supported the organizations' domestic health-related activities was provided through the following grants, programs, and cooperative agreements:

- *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 provide funding for general and clinical specialty training programs for family planning clinic personnel, research to improve the delivery of family planning services, and information dissemination activities. Title X grantees include state and territorial health departments, local health departments, hospitals, and other organizations. Grantees can disburse title X funds to other agencies or organizations to provide services or to support clinics. Although there are no matching requirements for service grants, regulations specify that no title X grant may fund 100 percent of a project's estimated costs. For fiscal year 2001, the Planned Parenthood Federation of America and its affiliates reported spending about \$59 million and The Alan Guttmacher Institute reported spending more than \$315,000 of federal funds provided through family planning grants.
- *Medicaid*—Title XIX of the Social Security Act (42 U.S.C. §§ 1396 *et seq.*) authorizes federal funding to states and requires state Medicaid programs to cover family planning services for individuals of childbearing age who are eligible under the state's Medicaid plan and seek those services. Medicaid is a joint federal/state entitlement program that annually finances health care coverage for more than 40 million low-income individuals. The federal government pays 90 percent and states pay 10 percent of Medicaid expenditures for family planning services and supplies furnished to beneficiaries. Family planning services under Medicaid include only those services and supplies intended to control family size, such as counseling and patient education and methods of contraception. Many other reproductive health services covered under Medicaid are paid for under standard federal-state payment formulas.³ The Planned Parenthood Federation of America and its affiliates reported fiscal year 2001 expenditures for services covered by the Medicaid program of about \$61 million.
- *Social Services Block Grant (SSBG) and Maternal and Child Health Services Block Grant (MCHBG)*—Title XX of the Social Security Act (42 U.S.C. §§ 1397 *et seq.*) authorizes SSBG, and title V of the act (42 U.S.C. §§ 701 *et seq.*) authorizes MCHBG. SSBG and MCHBG funds are distributed by formula to state and territorial health and social service agencies. Federal MCHBG funds

³The federal portion of payments for these 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.

are matched by state funds; states provide \$3 of nonfederal funds for every \$4 of MCHBG funds. Each state determines how its funds from each block grant are to be used. Under each block grant, state agencies may fund family planning activities directly or purchase them from entities such as an organization's affiliates that provide family planning activities. For fiscal year 2001, the Planned Parenthood Federation of America and its affiliates reported spending more than \$19 million in federal SSBG funds and about \$6 million in federal MCHBG funds that were provided through state agencies.

- *Research project grants*—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) authorize research project grants. The National Institutes of Health (NIH) institutes and centers funding these grants include the National Institute on Aging, the National Institute of Allergy and Infectious Diseases, the National Institute of Child Health and Human Development, and the National Institute of Environmental Health Sciences. Funds from NIH are provided directly to recipient organizations. The NIH research grant recipients conduct various kinds of reproductive health and other population research. For example, among its research projects, the Population Council explores ways to prevent the spread or transmission of HIV and trends in health among elderly Asians. The Alan Guttmacher Institute conducts research that focuses on the effectiveness of contraceptives in preventing pregnancies. For fiscal year 2001, the Population Council reported spending about \$6.5 million in NIH research project grant funds and The Alan Guttmacher Institute reported expenditures of about \$57,000.
- *Research grants*—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. For fiscal year 2001, the Population Council reported spending more than \$52,000 in NSF research grant funds. The grants funded research on the behavioral and biological effects of chronic social stress.
- *Cooperative agreements*—Title III and sections 311 and 317 of the Public Health Service Act (42 U.S.C. § 241 *et seq.*, 42 U.S.C. § 243, and 42 U.S.C. § 247b respectively) authorize the use of cooperative agreements and grants.⁴ CDC's National Center for Chronic Disease Prevention and Health Promotion and

⁴Cooperative agreements are to be used when substantial federal involvement with the recipient during performance is anticipated. The difference between grants and cooperative agreements is the degree of federal programmatic involvement rather than the type of administrative requirements imposed. See 31 U.S.C. §§ 6304 and 6305.

National Center for HIV, STD, and TB Prevention enter into cooperative agreements with entities to provide funding support for the development and implementation of effective health education to prevent HIV and other health problems for school-age populations. For fiscal year 2001, Advocates for Youth reported spending about \$500,000 and SIECUS reported spending more than \$218,000 in federal funds provided through cooperative agreements with CDC.

The Senate Committee on Finance; the Senate Committee on Health, Education, Labor, and Pensions; the Senate Committee on Commerce, Science, and Transportation; the House Committee on Energy and Commerce through its Subcommittee on Health; the House Committee on Science; and the House Committee on Ways and Means have jurisdiction over legislation authorizing the program funds that the organizations reported spending for domestic health-related activities. Also, the Senate Committee on Appropriations, through its Subcommittee on Labor, Health and Human Services, and Education; and Subcommittee on VA, HUD and Independent Agencies, and the House Committee on Appropriations, through its Subcommittee on Labor, Health and Human Services, and Education; and Subcommittee on VA, HUD and Independent Agencies, have jurisdiction over legislation appropriating funds for the programs. (See table 3.)

Table 3: Congressional Committees and Subcommittees with Jurisdiction over Legislation for the Authorization of Federal Programs and the Appropriation of Funds That Supported the Organizations' Domestic Health-Related Activities

| Program/administering agency | Authorizing congressional committee/subcommittee | Appropriating congressional subcommittee/committee |
|--|---|--|
| Family planning grants/HHS, Office of Population Affairs | Senate Committee on Health, Education, Labor, and Pensions and Subcommittee on Health, House Committee on Energy and Commerce | Subcommittee on Labor, Health and Human Services, and Education, Senate Committee on Appropriations and Subcommittee on Labor, Health and Human Services, and Education, House Committee on Appropriations |
| Medicaid/HHS, Centers for Medicare & Medicaid Services | Senate Committee on Finance and Subcommittee on Health, House Committee on Energy and Commerce | Subcommittee on Labor, Health and Human Services, and Education, Senate Committee on Appropriations and Subcommittee on Labor, Health and Human Services, and Education, House Committee on Appropriations |
| SSBG/HHS, Administration for Children and Families | Senate Committee on Finance and House Committee on Ways and Means | Subcommittee on Labor, Health and Human Services, and Education, Senate Committee on Appropriations and Subcommittee on Labor, Health and Human Services, and Education, House Committee on Appropriations |
| MCHSBG/HHS, Health Resources and Services Administration | Senate Committee on Finance; Senate Committee on Health, Education, Labor, and Pensions; and Subcommittee on Health, House Committee on Energy and Commerce | Subcommittee on Labor, Health and Human Services, and Education, Senate Committee on Appropriations and Subcommittee on Labor, Health and Human Services, and Education, House Committee on Appropriations |
| Research project grants/HHS, NIH | Senate Committee on Health, Education, Labor, and Pensions and Subcommittee on Health, House Committee on Energy and Commerce | Subcommittee on Labor, Health and Human Services, and Education, Senate Committee on Appropriations and Subcommittee on Labor, Health and Human Services, and Education, House Committee on Appropriations |
| Research grants/NSF, Directorate for Biological Sciences | Senate Committee on Commerce, Science, and Transportation; Senate Committee on Health, Education, Labor, and Pensions; and House Committee on Science | Subcommittees on VA, HUD, and Independent Agencies, Senate and House Committees on Appropriations |
| Cooperative agreements/HHS, CDC | Senate Committee on Health, Education, Labor, and Pensions and Subcommittee on Health, House Committee on Energy and Commerce | Subcommittee on Labor, Health and Human Services, and Education, Senate Committee on Appropriations and Subcommittee on Labor, Health and Human Services, and Education, House Committee on Appropriations |

Source: Congressional committees and subcommittees.

Note: GAO analysis of congressional information.

Federal Funds Expended for International Health-Related Activities

For fiscal year 2001, the Population Council, the International Planned Parenthood Federation's member family planning associations, The Alan Guttmacher Institute, and Advocates for Youth—reported spending more than \$55 million in federal funds for international health-related activities such as family planning and health research. (See table 4.) The Population Council, the International Planned Parenthood Federation's member family planning associations, and The Alan Guttmacher Institute received financial support for international activities from USAID. Advocates for Youth received financial support for its international activities through a cooperative agreement with CDC.

Table 4: Organizations' Expenditures of Federal Funds For International Health-Related Activities, Fiscal Year 2001

| Organization | Fiscal year 2001 expenditures ^a |
|---|--|
| Population Council | \$30,701,137 |
| International Planned Parenthood Federation's member family planning associations | |
| Contraceptive shipments | 3,374,689 ^b |
| Direct agreements through USAID | 18,663,788 |
| Subagreements through U.S.-based agencies | 1,374,740 |
| The Alan Guttmacher Institute | 798,194 |
| Advocates for Youth | 132,160 |
| Totals | \$55,044,708 |

Sources: USAID, the Population Council, The Alan Guttmacher Institute, and Advocates for Youth.

Note: The International Planned Parenthood Federation's headquarters received no federal funds for fiscal year 2001.

^aThe 12-month fiscal year periods for the organizations' expenditures varied.

^bDollar value of the contraceptive shipments.

Expenditures of federal funds supported the following organizations' international health-related activities:

- *The Population Council* spent its USAID grant funds to, among other things, conduct 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, treatment, and mitigation of HIV/AIDS and other sexually transmitted diseases; and undertake research on new and improved contraceptive methods and products that protect against HIV and other diseases.

- *The International Planned Parenthood Federation's family planning association members* used USAID funds to support various international health-related activities, such as providing contraceptives and contraceptive counseling. The support included direct funding through agreements between USAID and the family planning associations and indirect funding through agreements between USAID and U.S.-based agencies that have subagreements with other entities. In fiscal year 2001, USAID resumed a policy of providing family planning assistance only to foreign nongovernmental organizations that chose to sign agreements to neither perform nor actively promote abortion as a method of family planning in other nations with the organization's own funds or funds received from any other donor source. According to USAID, since 1973, organizations have been legally prohibited from using USAID funds to support or encourage abortion as a method of family planning.
- *The Alan Guttmacher Institute* used USAID funds for publishing an international journal about family planning and reproductive health issues in English, French, and Spanish.
- *Advocates for Youth* used federal funds provided through a cooperative agreement with CDC to help foster relationships between HIV/AIDS service organizations in the United States and those working in developing countries. Specifically, Advocates for Youth created a network of service providers from the Washington, D.C. area, El Salvador, Honduras, and Guatemala to share strategies on HIV prevention services for at-risk Latino youth. Advocates for Youth also provided technical assistance and training to its Central American partners on organizational development, peer education, and outreach.

The Senate Committee on Foreign Relations and the House Committee on International Relations have jurisdiction over legislation authorizing USAID programs. The Senate Committee on Appropriations, through its Subcommittee on Foreign Operations, and the House Committee on Appropriations, through its Subcommittee on Foreign Operations, Export Financing, and Related Programs, have jurisdiction over legislation appropriating funds for USAID programs and operations. The Senate Committee on Health, Education, Labor, and Pensions and the House Committee on Energy and Commerce, through its Subcommittee on Health, have jurisdiction over legislation authorizing CDC programs. The Senate Committee on Appropriations, through its Subcommittee on Labor, Health and Human Services, and Education, and the House Committee on Appropriations, through its Subcommittee on Labor, Health and Human Services, and Education have jurisdiction over legislation appropriating funds for CDC programs.

Agency and Other Comments and our Response

We provided a draft of this report to HHS, USAID, the Planned Parenthood Federation of America, the Population Council, The Alan Guttmacher Institute, Advocates for Youth, and SIECUS for review.

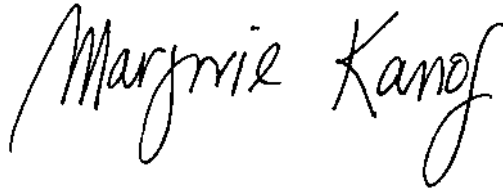
In its written comments, HHS raised concern about our data collection methodology (see enclosure II). HHS commented that the major question posed in the congressional request was not addressed because we presented expenditure data rather than total federal funding and that its records indicate that two organizations received from about two to three times the amount of federal funds presented in the draft report. We acknowledge that there could be a difference in the amount of federal funds the organizations received and the amount they reported spending. However, determining the amount of federal funds the organizations received was beyond the scope of our work. We agreed with the requesters' staff to update the information presented in our November 2001 report. In that report, we presented information that the organizations provided on their expenditures of federal funds for fiscal years 1999 and 2000. This report updates those data by presenting information on the organizations' expenditures of federal funds for fiscal year 2001. We added information to clarify that the scope of our work focused on expenditures rather than the total amount of federal funding the organizations received from the federal agencies.

HHS also commented that we had not requested information from the department's agencies as we have done in the past, such as with our November 2001 report. However, we contacted the HHS agency that provided information for our November 2001 report, for updated information. For consistency, the methodology that we used to collect data for this report was similar to the methodology we used for our November 2001 report.

Throughout the draft report we used the term "reproductive health" in discussing the organizations' expenditures and the type of activities they support. HHS commented that our use of the term reproductive health made it unclear whether we requested information only on funding for reproductive health activities or whether we characterized all expenditures of federal funds by the organizations as funds to support reproductive health activities. We agree with HHS' comment that the focus on reproductive health should be changed and have revised the report to reflect the broader health-related activities that the data represent.

HHS, USAID, and the organizations we reviewed provided technical comments that we incorporated in the report where appropriate.

We are sending copies of this report 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. In addition, the report is available at no charge on GAO's home page at <http://www.gao.gov>. If you have any questions about this report, please contact me at (202) 512-7101 or James O. McClyde at (202) 512-7152. Claude B. Hayeck made major contributions to this report.

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

Marjorie E. Kanof
Director, Health Care—Clinical
and Military Health Care Issues

Enclosures - 2

Revised Fiscal Year 2000 Expenditures for International Health-Related Activities

In providing the nonprofit organizations' fiscal year 2001 expenditures of federal funds for health-related activities, the U.S. Agency for International Development (USAID) also revised fiscal year 2000 international health-related expenditure data it provided for the International Planned Parenthood Federation and its affiliated associations.⁵ As shown in table 5, fiscal year 2000 expenditures for contraceptive shipments increased more than \$2.6 million, expenditures related to direct agreements increased about \$3.9 million, and expenditures related to subagreements decreased about \$1.3 million. The Alan Guttmacher Institute also revised its fiscal year 2000 expenditures of federal funds for international activities that USAID provided for our November 2001 report. These expenditures increased by \$5,000.

Table 5: Federal Funds Expended by Three Nonprofit Organizations for International Health-Related Activities, Fiscal Year 2000

| Organization | Fiscal year 2000 expenditures reported in November 2001 | Revised fiscal year 2000 expenditures |
|--|--|--|
| Population Council | \$36,443,540 | \$36,443,540 |
| International Planned Parenthood Federation | 5,000,000 ^a | 5,000,000 ^a |
| International Planned Parenthood Federation's affiliated family planning associations | | |
| Contraceptive shipments | 993,328 ^a | 3,631,903 |
| Direct agreements through USAID | 7,531,000 ^a | 11,394,423 |
| Subagreements through U.S.-based agencies | 2,244,000 | 951,260 |
| The Alan Guttmacher Institute | 587,128 | 592,128 |
| Total | \$52,798,996 | \$58,013,254 |

Source: USAID, the Population Council, and The Alan Guttmacher Institute.

Note: GAO analysis of the organizations' data. Revised expenditure data provided by USAID and The Alan Guttmacher Institute.

^aThese figures represent obligations.

This information changes the total amount of fiscal year 2000 expenditures of federal funds that supported the domestic and international health-related activities of the four nonprofit organizations discussed in our November 2001 report—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—from about \$196 million to approximately \$201 million. (See table 6.)

⁵See U.S. General Accounting Office, *Reproductive Health: Federal Funds That Supported Four Nonprofit Organizations*, [GAO-02-81R](#) (Washington, D.C.: Nov. 13, 2001).

Table 6: Federal Funds That Supported the Domestic and International Health-Related Activities of Four Nonprofit Organizations, Fiscal Year 2000

| Organization | Fiscal year 2000 expenditures reported in November 2001 | Revised fiscal year 2000 expenditures |
|---|--|--|
| Planned Parenthood Federation of America and its affiliates | \$137,337,724 | \$137,337,724 |
| Population Council | 41,347,381 | 41,347,381 |
| International Planned Parenthood Federation and its affiliated associations | 15,768,328 | 20,977,586 |
| The Alan Guttmacher Institute | 1,113,712 | 1,118,712 |
| Total | \$195,567,145 | \$ 200,781,403 |

Source: GAO analysis of the organizations' data.

Note: Revised expenditure data provided by USAID and The Alan Guttmacher Institute.

Comments from the Department of Health and Human Services**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Office of Inspector General

APR 10 2003

Washington, D.C. 20201

Ms. Marjorie E. Kanof
Director, Health Care – Clinical
and Military Health Issues
United States General
Accounting Office
Washington, D.C. 20548

Dear Ms. Kanof:

Enclosed are the department's comments on your draft report entitled, "Reproductive Health: Federal Funds That Supported Six Nonprofit Organizations." The comments represent the tentative position of the department and are subject to reevaluation when the final version of this report is received.

The department provided several technical comments directly to your staff.

The department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

A handwritten signature in black ink, reading "Dennis J. Duquette", is written over a horizontal line.

Dennis J. Duquette
Acting Principal Deputy Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the department's response to this draft report in our capacity as the department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

Comments of the Department of Health and Human Services on the General Accounting Office's Draft Report, "Reproductive Health: Federal Funds That Supported Six Nonprofit Organizations" (GAO-03-527R)

The Department of Health and Human Services (department) has several significant concerns regarding this draft report. First, we are concerned that the major question posed in the congressional request (i.e. what is "The amount of federal funding that supports these organizations?") has not been addressed. The General Accounting Office (GAO) has presented, for the six organizations, information on "expenditures" which differs significantly from total "federal funding." For example, our records for fiscal year 2001 indicate that Advocates for Youth received approximately three times the amount included in the draft report and that the Alan Guttmacher Institute received approximately twice the amount included in the draft report.

Second, on a related note, in the past, in response to similar congressional requests, GAO has sought funding information from both the organizations receiving federal funds and from the funding agencies. This year, with the exception of the National Institutes of Health, GAO has not requested information from department agencies and has chosen to rely exclusively on information provided by the six organizations under review. We believe the approach used in past reports (e.g. the inclusion of information on federal funding by fiscal year as presented in Table 1 of GAO's 2001 report (GAO-02-81R)) resulted in a more accurate representation of federal funding and is more closely aligned with the current congressional request.

Our third concern relates to GAO's focus on "reproductive health." It is not clear whether GAO requested only information on "reproductive health" funding from the six organizations, or whether GAO simply characterized all funding provided by the department as "reproductive health." We believe GAO's use of the term is problematic in either case. If, in fact, GAO only sought information relating to "reproductive health" funding, we believe this is inconsistent with the congressional request which was clearly intended to disclose all federal funding provided to the six organizations. On the other hand, if GAO did request information on all department funding and characterized all department funding as "reproductive health," that would be inaccurate. For example, funds used to prevent HIV/AIDS are not "reproductive health" funds. In either case, the focus on "reproductive health" (including use of the term in the title of the draft report) should be revised.

A final issue is GAO's description of the six organizations and their overall organizational structures and activities in the "Background" section of the draft report. The GAO appears to have utilized the organizations' own descriptions of themselves without clearly stating so. The GAO may wish to make the sources of the organizations' descriptions clear by putting the descriptions in quotation marks and providing appropriate attribution.

We would, of course, be prepared to work with GAO to address our concerns and provide additional information as needed. We realize that this could further delay completion of the draft report beyond the deadline the Members of Congress requested.

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to www.gao.gov and select "Subscribe to daily E-mail alert for newly released products" under the GAO Reports heading.

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
 TDD: (202) 512-2537
 Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Public Affairs

Jeff Nelligan, managing director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548