

No Mercy from the Margin Police

When the feds say one inch, they mean one inch.

By Susan Compo

When you apply for government grants, you're supposed to follow directions to the letter.

But *literally* to the letter?

Consider the case of On-Track Inc., a drug and alcohol counseling organization in Medford, Ore., which applied for a \$600,000 grant for two programs (one for teen alcohol and drug prevention and another to expand services for pregnant women), only to have its proposal rejected because the margins were judged too narrow—by approximately two typewriter letters.

"Your application has been examined by review staff from the Division of Extramural Program Management," wrote reviewer Diane McMenamin for the Department of Health and Human Services' Substance Abuse and Mental Health Services Administration (SAMHSA), "and was judged to be non-conforming for the following reason: (1) Your application does not conform to the instructions for format as stated in Part II of the [application form] in that applications have "conventional border margins of one inch."

The story didn't fold there: it was picked up by the Washington Post ("Maybe this is what they mean by "margin of error," opined columnist Al Kamen) and National Public Radio's quiz-show compendium of silly news, "Wait, Wait, Don't Tell Me." One of the show's incredulous panelists called SAMHSA's action "the most ridiculous thing I ever heard!"

On-Track had requested the funding to help make up a 25 percent shortfall—the result of state cutbacks in the agency's \$4 million annual budget. In addition to providing teen pregnancy counseling and help for people in recovery, On-Track operates a 50-unit affordable housing complex for low-income people with disabilities.

Following the rejection of its application, On-Track received bipartisan backing from Oregon's two U.S. Senators, Democrat Ron Wyden and Republican Gordon Smith, both of whom asked SAMHSA to evaluate the proposal on its merits rather than its margins. "Frankly I do not see the connection between one-inch margins and effective drug and alcohol

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treatment," declared Sen. Wyden in a pointed letter to HHS Secretary Tommy Thompson.

"This is really a jaw-dropping, forehead-slapping, what-will-they-think-of-next-in-Washington-DC kind of thing," Wyden told a reporter for Medford's daily paper, the Mail-Tribune. "There are vulnerable people who are going to get hurt because government has taken leave of its senses."

Sen. Smith echoed Wyden's plea for SAMHSA to revise its stance, or at least provide future "special consideration" to On-Track, which had received SAMHSA grants in the past using the same template that, this time around, was deemed a fraction of an inch off.

The fact that On-Track had used that same template successfully before is especially significant, according to Sen. Wyden. "When my staff discussed the matter with the agency [SAMHSA], my staff was told that usually when an application is rejected because of issues like margins, the applicant 'gets it right the next time'," Wyden said. "I believe the same logic could be applied in reverse. If you think you are following the rules and have been successful in the past, you continue to do the same thing."

"This was a good government screw-up story," acknowledged Mark Weber, associate communications administrator at SAMHSA. "This happens every year. One or two grantees will be upset that they didn't get the score or the reward and they do everything humanly possible to find out why. We know that the need is great and we hate turning proposals down. But every year there's one or two and this year it happened to be Oregon."

"The margins were not a little off," Weber insisted. "They were significantly off. It was clear in the instructions."

As for all the heated reaction from people in high places, Weber was philosophical. "Agencies should feel free to do everything possible to ensure they get a fair hearing," he said. "Senators Wyden and Smith sent letters and we were glad they checked in."

But he does not expect Secretary Thompson to intervene. "It's over," Weber said. "We'd welcome proposals from On-Track again—as long as they get the margins right."

That is little comfort to Ernie Garb, chairman of On-Track's board of directors. "Two-tenths of an inch, I still can't believe it," Garb said. "I

honestly believe there is a new occupation: margin specialist—somebody somewhere in a dark office...They actually got out a ruler and measured the margins. It was not obvious to the naked eye. I mean, why didn't someone pick up the phone? I don't understand the psychology or philosophy behind this."

"I thought it would end in someone's resignation," Garb continued. "Actually the whole thing would be comic if it didn't have tragic overtones. These were grants for post-partum women and for teen substance abuse prevention, and the programs will have to be cut back if there is no money," Garb said. "Compassionate Conservatism! We'll resubmit and we'll certainly pay attention to our margins!"

On-Track's director, Rita Sullivan, also said that On-Track will try again, this time following directions to the letter. "I think the process with the professional review teams has a lot of integrity to it," she told the Mail-Tribune, adding that she was "heartened" by the two senators' support. "I think it demonstrates that it's not a partisan issue, it's an issue of fairness."

Meanwhile, SAMHSA has its own plan for avoiding any repeat of the embarrassing episode. According to SAMHSA spokesman Weber, the next round of the grant competition will feature an instruction sheet for applicants with all the format guidelines prominently highlighted—on hot pink paper.