



United States
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Resources, Community, and
Economic Development Division

B-282394

April 20, 1999

The Honorable Ken Calvert
Chairman, Subcommittee on Energy
and the Environment
Committee on Science
House of Representatives

Subject: Environmental Protection: Allocation of Operating Expenses to
Strategic Goals and Objectives

Dear Mr. Chairman:

Each year, the Environmental Protection Agency (EPA) provides to congressional committees a budget justification for requested appropriations for the forthcoming year. This justification supplements the President's budget submitted to the Congress by providing additional details and shows funding levels for the previous fiscal year. Your Subcommittee and others use the justification in deliberating EPA's budgets, programs, and activities. EPA's budget justifications for fiscal years 1999 and 2000 differed significantly from its justifications for fiscal year 1998 and prior years because they were organized according to the agency's strategic goals and objectives (e.g., Clean Air: Reduce Emissions of Air Toxics). These goals and objectives were established in the strategic plan EPA prepared to meet the requirements of the Government Performance and Results Act. In contrast, the fiscal year 1998 budget justification was organized according to EPA's program offices and components (e.g., Office of Air and Radiation: Air Toxics).

In our testimony of March 18, 1999, we reported that EPA implemented several changes to its fiscal year 2000 justification to solve problems experienced in comparing requested Science and Technology funds for fiscal years 1998 and 1999.¹ We also reported, however, that EPA made changes to the objectives in the fiscal year 2000 justification for Science and Technology funds without information to adequately allow comparisons of requested amounts for fiscal year 2000 with fiscal year 1999 requested and enacted amounts. One such change in the fiscal year 2000 budget justification was the allocation of \$86.6 million of Science and Technology funds from

¹Environmental Protection Agency: Difficulties in Comparing Annual Budgets for Science and Technology (GAO/T-RCED-99-120, Mar. 18, 1999).

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the “Enable Research on Innovative Approaches to Current and Future Environmental Problems” objective in fiscal year 1999 to several other objectives—generally disclosed but not specifically identified—in the fiscal year 2000 budget justification.

As a result, you requested that we show how the \$86.6 million shown for this objective for fiscal year 1999 was distributed among specific objectives in the fiscal year 2000 budget request.

Allocation of Operating Expenses to Goals and Objectives

In the fiscal year 1999 budget justification, under the strategic goal “Sound Science, Improved Understanding of Environmental Risks and Greater Innovation to Address Environmental Problems,” EPA requested \$86.6 million for the objective “Enable Research on Innovative Approaches to Current and Future Environmental Programs.” In the fiscal year 2000 budget justification, EPA marked this objective as “Not in Use.” The fiscal year 2000 justification stated that the objective for fiscal year 1999 included the amounts for operating expenses and working capital for the Office of Research and Development. In the fiscal year 2000 budget justification, EPA allocated the requested amounts for this objective among other goals and objectives to more properly reflect costs of the agency’s objectives but did not indicate which specific objectives received the allocation. Guidance from the Office of Management and Budget does not require agencies to develop or provide these types of crosswalks in their justifications from one year to the next. EPA does not provide crosswalks unless asked to by the Office of Management and Budget or congressional committees.

At our request, EPA’s Office of Chief Financial Officer provided us with information to link the operating expenses allocated to the specific goals and objectives for the 1999 requested amounts. As shown in table 1, EPA allocated the \$86.6 million of operating expenses to 7 strategic goals and further segmented the amounts into 15 of its 41 strategic objectives. The table shows (1) the original budget request, including the “Enable Research on Innovative Approaches to Current and Future Environmental Problems” objective for fiscal year 1999 before the allocation of the operating expenses to strategic goals and objectives (shown in bold on the second page of table 1); (2) the allocation of the operating expenses to the strategic goals and objectives; and (3) the fiscal year 1999 amounts with the operating expenses allocated, as shown in the fiscal year 2000 budget justification.

Table 1: Allocation of \$86.6 Million of Fiscal Year 1999 Operating Expenses for Science and Technology by Goal and Objective

Strategic goals	Strategic objectives	Original fiscal year 1999 budget request amount	Operating expenses allocated to fiscal year 1999 budget request	Revised fiscal year 1999 request, which includes operating expenses
Goal 1: Clean air	Attain national ambient air quality standards for ozone and particulate matter	\$115,862,600	\$13,064,000	\$128,926,600
	Reduce emissions of air toxics	17,178,400	5,622,300	22,800,700
	Attain national ambient air quality standards for CO, SO ₂ , NO ₂ , and lead	113,200	0	113,200
	Acid rain	4,000,000	0	4,000,000
Goal 2: Clean and safe water	Safe drinking water, fish and recreational waters	37,699,300	8,129,200	45,828,500
	Conserve and enhance nation's water	11,570,700	4,028,600	15,599,300
	Reduce loadings and air deposition	6,065,700	1,281,400	7,347,100
Goal 3: Safe food	Reduce agricultural pesticides' risk	2,998,200	0	2,998,200
	Reduce the use on food of pesticides not meeting standards	1,451,800	0	1,451,800
Goal 4: Preventing pollution and reducing risks in communities, homes, workplaces, and ecosystems	Healthier indoor air	4,186,700	798,200	4,984,900
	Reduce public and ecosystem exposure to pesticides	863,600	0	863,600
	Safe handling and use of commercial chemicals and microorganisms	9,333,300	3,410,200	12,743,500
Goal 5: Better waste management, restoration of contaminated waste sites, and emergencies	Reduce or control risks to human health	5,935,600	825,600	6,761,200
	Prevent, reduce, or respond to releases, spills, accidents, and emergencies	8,203,700	1,025,700	9,229,400

Goal 6: Reduction of global and cross-environmental risks	Climate change	\$67,406,500	\$2,316,400	\$69,722,900
Goal 7: Expansion of Americans' right to know about their environment	Enhance ability to protect public health	\$18,648,300	\$1,573,000	\$20,221,300
Goal 8: Sound science, improved understanding of environmental risks and greater innovation to address environmental problems	Research for ecosystem assessment and restoration	84,537,200	20,983,800	105,521,000
	Research for human health risk assessment	47,556,100	9,445,100	57,001,200
	Research to detect emerging risk issues	49,591,100	6,252,200	55,843,300
	Pollution prevention and new technology for environmental protection	44,657,000	7,858,600	52,515,600
	Enable research on innovative approaches to current and future environmental problems	86,614,300	(86,614,300)	0
Goal 9: A credible deterrent to pollution and greater compliance with the law	Enforcement tools to reduce noncompliance	8,662,800	0	8,662,800
	Increase use of auditing, self-policing policies	97,900	0	97,900
Goal 10: Effective management	Management services, administrative, and stewardship	226,000	0	226,000
Total		\$633,460,000	0	\$633,460,000

Source: GAO's analysis of EPA's data.

Agency Comments

We provided copies of a draft of this report to EPA for review and comment. EPA generally agreed that the report provided a good characterization of the crosswalk needed to compare the amounts that had been requested for fiscal year 1999 with the amounts requested for fiscal year 2000. EPA suggested changes to the report to help ensure accurate information, and we made changes as appropriate.

Scope and Methodology

We performed our work at EPA's headquarters in Washington, D.C. We reviewed the Justification of Appropriation Estimates for the Committees on Appropriations prepared by EPA for fiscal year 1999 and the Fiscal Year 2000 Annual Performance Plan and Congressional Justification. We also met with EPA officials and reviewed additional documentation prepared by the agency. We did not independently verify the data provided by EPA. We conducted our review from March through April 1999 in accordance with generally accepted government auditing standards.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days. At that time, we will send copies to Senator Ted Stevens, Senator Robert C. Byrd, Senator Christopher S. Bond, Senator Barbara A. Mikulski, Senator Fred Thompson, Senator Joseph I. Lieberman, Senator John H. Chafee, Senator Max S. Baucus, Representative James Sensenbrenner, Jr., Representative George E. Brown, Representative Jerry F. Costello, Representative C. W. (Bill) Young, Representative David R. Obey, Representative James T. Walsh, Representative Alan B. Mollohan, Representative Dan Burton, Representative Henry A. Waxman, Representative John R. Kasich, and Representative John M. Spatt, Jr., in their capacity as Chair or Ranking Minority Member of Senate and House Committees and Subcommittees. We will also send copies of this report to the Honorable Carol M. Browner, Administrator of EPA. Copies will also be made available to others upon request

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Please call me at (202) 512-6111 if you or your staff have any questions. Major contributors to this report were Everett O. Pace and John A. Wanska.

Sincerely yours,

David G. Wood

David G. Wood
Associate Director, Environmental
Protection Issues

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