

Why GAO Did This Study

EPA annually awards hundreds of discretionary grants, totaling about \$500 million. EPA has the discretion to determine grantees and amounts for these grants, which fund a range of activities, from environmental research to wetlands restoration. EPA awards and manages discretionary grants at 10 headquarters program offices and 10 regional offices. Past reviews by GAO and EPA's Inspector General found that EPA has faced challenges managing such grants, including procuring insufficient competition for them and providing incomplete public information about them. GAO was asked to review EPA's management of discretionary grants.

This report examines (1) how EPA manages competition for discretionary grants, (2) how much in discretionary grants EPA provided from fiscal years 2013 through 2015 and to what types of grantees, and (3) the information EPA makes publicly available on discretionary grants. GAO reviewed EPA's competition policy and guidance, examined internal evaluations of grant applications for competitions that were selected partly because they accounted for large portions of discretionary grant dollars, analyzed EPA data as well as information EPA made available on public websites, and interviewed EPA officials.

What GAO Recommends

GAO recommends that EPA develop clear guidance for tracking grants and determine how to make more complete information on discretionary grants publicly available. EPA agreed with GAO's recommendations.

View GAO-17-161. For more information, contact J. Alfredo Gómez at (202) 512-3841 or gomezj@gao.gov.

January 2017

GRANTS MANAGEMENT

EPA Has Taken Steps to Improve Competition for Discretionary Grants but Could Make Information More Readily Available

What GAO Found

The Environmental Protection Agency (EPA) manages competition for its discretionary grants through a process established by its competition policy and implemented by its program and regional offices. Under the policy, offices are to advertise discretionary grant opportunities on Grants.gov—a website for federal grant announcements—and may also advertise using other methods, such as trade journals and e-mail lists. The announcements must describe eligibility and evaluation criteria, and the process may be customized to assess (1) all applications against eligibility criteria and (2) eligible applications for merit against evaluation criteria. Under the policy, EPA established a Grants Competition Advocate, a senior official who provides guidance to and oversight of the offices. EPA officials said this position has been key to improving competition for discretionary grants.

From fiscal years 2013 through 2015, EPA provided nearly \$1.5 billion in discretionary grants to about 2,000 unique grantees, with state governments, nonprofits, and Indian tribes receiving the largest shares, according to GAO's analysis of EPA data. Of the \$1.5 billion, \$579 million was for new grants subject to the competition policy, and according to EPA, the agency met its performance target to competitively award at least 90 percent of these new grant dollars or awards annually. Some discretionary grants are not subject to the competition policy for several reasons—for example because they are available by law only to Indian tribes. Of the remaining approximately \$920 million, \$282 million was for new grants not subject to the competition policy, and about \$632 million was for amendments to existing grants, such as for added work.

Publicly available information from EPA about its discretionary grants is neither easy to identify nor complete. For example, different information about the grants, such as dollar amounts, is available at four federal websites; but three of these websites do not have a way to search all the grants, and the fourth cannot identify the grants because EPA does not flag them in its submissions to the website. EPA officials plan to better flag these grants in the future; however, to obtain complete information, users would still have to search several websites containing different parts of this information. Also, GAO found that the unofficial reports EPA makes publicly available on the number of applications received for its grant competitions contain limited information. Moreover, these reports are not current because EPA relies on manual processes to collect the information from its offices, which can cause reporting delays. Further, GAO found that although EPA's internal grants management system has a field for tracking grant types, a lack of clarity in EPA's guidance may contribute to EPA staff's inconsistent use of this field. Consequently, EPA cannot easily identify discretionary grants in its system or collect complete and accurate information on them. EPA is transitioning to a new system that is expected to be operational in 2018 and to provide the capability to collect more timely and complete information. However, EPA officials said they do not have plans to use the new system to improve their publicly available reports, which is inconsistent with effective internal and external communication suggested by federal internal control standards. More complete information could help Congress and other decision makers better monitor EPA's management of discretionary grants.