

TRACKING THE FUNDS:

Specific Fiscal Year 2022 Provisions for Department of Commerce Accessible Version

GAO-22-105911 · September 2022
Report to Congressional Committees



The Consolidated Appropriations Act, 2022 appropriated \$247.5 million to the Department of Commerce for 107 projects at the request of Members of Congress. The act includes specific provisions that designate an amount of funds for a particular recipient, such as a nonprofit organization or a local government, to use for a specific project. These provisions are called “Congressionally Directed Spending” in the U.S. Senate and “Community Project Funding” in the House of Representatives. Members of Congress had to meet certain requirements under Senate and House rules in order to have their requests included as provisions in the act. Such requirements included that Members post requests online and certify that they had no financial interest in the projects. The House also required Members to demonstrate community support for requests.

This report examines how Commerce intends to identify the provisions, distribute the funds made available through these provisions, and ensure the funds are spent for the purposes Congress intended. For more information on this report and others in this series, including background and methodology, visit <https://www.gao.gov/tracking-funds>.

What are the intended uses of these funds?

The \$247.5 million is intended to support new and ongoing scientific research through the construction of facilities, upgrades to equipment, and efforts to restore and monitor natural habitats.

Department of Commerce: Fiscal Year 2022 Community Project Funding/Congressionally Directed Spending Provisions



Source: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the Department of Commerce. | GAO-22-105911

Data table for Department of Commerce: Fiscal Year 2022 Community Project Funding/Congressionally Directed Spending Provisions

Funding \$ in millions	Subunit	Budget account	Number of FY 2022 provisions	Percentage of budget account designated for FY 2022 provisions ^a	Examples of projects
163.2	National Institute of Standards and Technology	Construction of Research Facilities	7	61	Construction of or renovations to laboratories and research centers
		Scientific and Technical Research and Services	20	4	Equipment upgrades and support for research on various topics
84.4	National Oceanic and Atmospheric Administration	Operations, Research, and Facilities	80	2	Restoration of coastal areas, studies to monitor and evaluate oceanic and other water systems

^aBased on total amount appropriated for each of the budget accounts for fiscal year 2022.

Note: The totals by subunit and budget account do not total to \$247.5 million due to rounding.

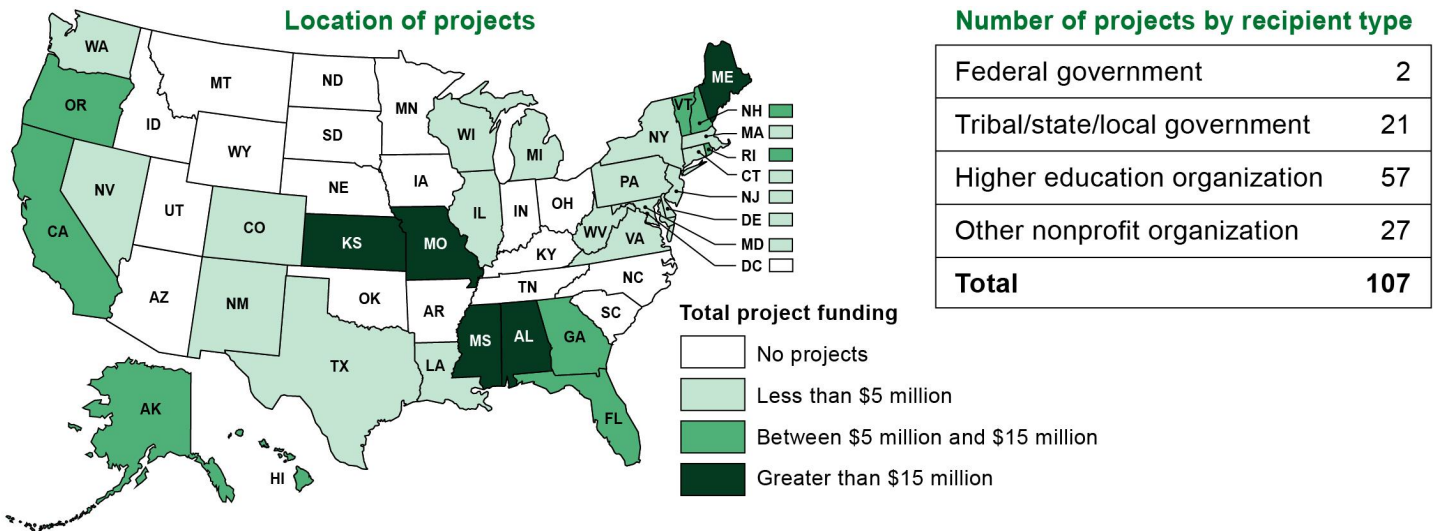
Who are the designated recipients?

For the 107 projects for Commerce—specifically, for the National Institute of Standards and Technology (NIST) and the National Oceanic and Atmospheric Administration (NOAA)—more than half of the designated recipients of the funds are higher education organizations. The remainder are nonprofit organizations, federal, state, and local governments, and a tribal entity.

Key Observations

- According to agency officials, designated recipients include entities that have previously received financial assistance from Commerce, as well as others that have not. For example, NIST officials told us that about 90 percent of the recipients of funds from the Scientific and Technical Research and Services account have previously received funds from NIST. NOAA officials told us that about 76 percent of the designated recipients of funds appropriated to NOAA have previously received funds from the agency.
- **NIST.** Designated recipients of funds appropriated to NIST will receive grants ranging from \$200,000 to \$60 million. Most of these recipients are higher education organizations. The largest grant is to go to a medical school in Alabama for the renovation and expansion of research facilities.
- **NOAA.** Designated recipients of funds appropriated to NOAA will receive grants ranging from \$50,000 to \$5.6 million. More than half of these grants are for less than \$1 million. Almost half of the recipients are higher education organizations. NOAA is the recipient of two of the provisions: (1) NOAA will develop an educational virtual tour experience of a national marine sanctuary in Maryland, and (2) a NOAA laboratory will undertake social and ecological resilience projects for New Jersey coastlines and associated ocean waters. The remaining recipients are state or local governments, a tribal entity, and nonprofit organizations, for a variety of projects such as developing a climate coordination center in Maine.

Department of Commerce: Distribution of Fiscal Year 2022 Community Project Funding/Congressionally Directed Spending Provisions



Sources: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the Department of Commerce; Map Resources (map). | GAO-22-105911

Who within the agency will be responsible for identifying and monitoring these funds?

NIST and NOAA are responsible for identifying, distributing, and monitoring these funds. They will generally distribute the funds as grants.

- **NIST.** According to NIST officials, the senior advisor for integrated programs within the NIST Office of Associate Director for Laboratory Programs has primary responsibility for identifying and monitoring the funds. In addition, individuals within NIST’s Office of Acquisition and Agreement Management’s Grants Management Division, as well as program and science officers from various NIST programs, are responsible for distributing and monitoring the funds.
- **NOAA.** According to NOAA officials, NOAA’s Budget Office is responsible for identifying recipients of the funds, and officials in NOAA’s Acquisitions and Grants Office are responsible for distributing and monitoring the funds. Specifically, Acquisitions and Grants Office officials will monitor recipients’ spending and funding disbursements to ensure obligations in the grant agreements are being met.

How does the agency intend to ensure recipients are ready to receive and are able to use these funds?

Commerce officials told us they plan to use Commerce’s standard grant process to ensure designated recipients are ready to receive and able to use the funds. NIST and NOAA officials said they would require applications from designated recipients as an initial step to determine if recipients are ready to receive federal funds.

In addition, both NIST and NOAA plan to review specific data repositories and information sources to determine if recipients are ready and able to receive funds. These systems include the System for Award Management, through which designated recipients must register to receive federal funds, and the Federal Awardee Performance and Integrity Information System, which is used to determine if recipients of federal funds have been suspended, disbarred, or had contracts or grants terminated for cause. Additionally, officials at both agencies told us they check the Federal Audit Clearinghouse to ensure recipients do not have any open audit findings.

NIST and NOAA plan to review recipients’ past performance to assess whether the recipients have the capability to monitor their spending. Officials at both agencies said they would communicate with recipients to determine if they need technical assistance to develop this capability. In addition, NIST officials told us that NIST asks award recipients to develop plans for how they intend to execute work and spend funds at the time they apply for an award. Both NIST and NOAA plan to perform a cost analysis of

recipients' project budgets to ensure costs are allowable and reasonable as well as in line with project plans. Additionally, NIST and NOAA officials said that if a recipient is unable to receive or use the funds they would work with the recipient to address any issues and, if necessary, they may contact the appropriate congressional committee.

How does the agency intend to ensure these funds are spent properly?

Commerce plans to use existing processes to ensure designated recipients adhere to all policies and are using funds as intended. NIST and NOAA plan to collect and assess information submitted by recipients, including semiannual financial and progress reports. NIST and NOAA also plan to review recipients' progress against their project plans and review the spending of funds through Commerce's Business System software to validate information from financial reports.

Officials told us that both NIST and NOAA program offices plan to look for any fraud, waste, or abuse through their existing monitoring activities, such as site visits by NIST officials, and, as appropriate, may make recommendations for enforcement or issue a corrective action plan. The actions Commerce plans to take to ensure funds are spent properly can help prevent improper payments. In addition, Commerce's Office of Inspector General may decide to review these funds as part of its standard practices to detect and deter fraud, waste, and abuse.

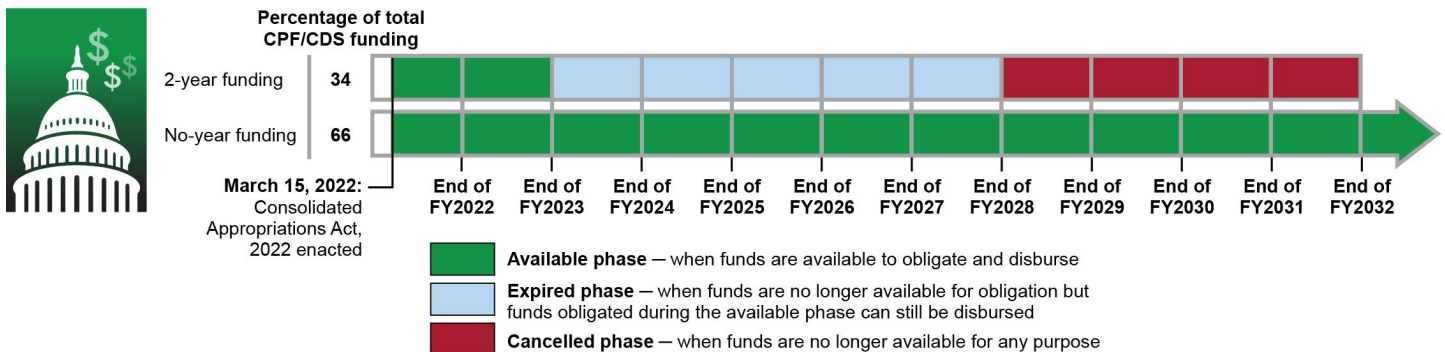
When does the agency expect recipients will have access to these funds, and when might the funds be spent?

Commerce plans to begin obligating funds from NOAA's Operations, Research, and Facilities account and NIST's Scientific and Technical Research and Services account to recipients by the end of fiscal year 2022. Officials plan to obligate funds from NIST's Construction of Research Facilities account by the end of December 2022. NIST and NOAA officials anticipate that they will receive all application paperwork by the beginning of fiscal year 2023.

For the seven construction projects funded from the Construction of Research Facilities budget account, NIST aims to obligate the funds by the end of December 2022, but officials are unsure if they will meet this date. NIST officials told us that a precise date is hard to estimate until they meet with the construction project leads and, in some cases, until recipients have received matching funds from states.

Commerce's time limits for fully disbursing funds provided in the Consolidated Appropriations Act, 2022 vary by account. NOAA has until the end of fiscal year 2028 to fully disburse the funds appropriated to its Operations, Research, and Facilities account to designated recipients. The funds appropriated to NIST's Construction of Research Facilities and Scientific and Technical Research and Services accounts are no-year funds and are therefore available to NIST until fully disbursed to the designated recipients. For more information on the time availability of these funds, see [GAO-22-105467](#).

Department of Commerce: Appropriations Life Cycle for Fiscal Year (FY) 2022 Community Project Funding/Congressionally Directed Spending (CPF/CDS) Provisions



Source: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; 31 U.S.C. § 1552; and information provided by the Department of Commerce. | GAO-22-105911

Note: While the phases depicted in this figure serve as general limitations for the Department of Commerce's use of funds, Commerce officials said they anticipated obligating funds for all projects by the end of December 2022. For more information about the obligation and expenditure of these funds, see [GAO-22-105467](#).

What risks and challenges may the agency face distributing and monitoring these funds?

According to Commerce officials, supply chain and workforce issues could pose challenges in distributing and monitoring the funds. For example, NIST officials said supply chain issues could delay the expenditure of funds, particularly for the seven construction projects. Officials said the time it might take recipients to obtain the permits needed before they can begin construction work could also affect NIST's ability to distribute the funds. In addition, other projects, such as research projects, may face challenges if key personnel involved with a project at a recipient organization leave the organization, because finding replacement staff could delay a project.

NOAA officials said they did not anticipate significant challenges in distributing and monitoring funds. However, these officials stated that one potential challenge could be an increased workload for Grants Office staff to manage the 80 grants associated with the funds. The officials also said that the additional workload could affect the rate at which grant money can be disbursed. However, the officials told us they have 60 days to review applications and award funds and that they were not concerned about their ability to meet this time frame. Further, officials added that other offices, such as the Program Office, will be involved in monitoring funds through regular communication with grant recipients to ensure they remain on task for project completion.

Why GAO did this study

The joint explanatory statement accompanying the Consolidated Appropriations Act, 2022 includes a provision for us to review agencies' implementation of Community Project Funding/Congressionally Directed Spending. In addition to issuing this and other reports in this series, we will follow and review agencies' efforts to distribute, monitor, and audit these funds by sampling agencies and recipients and examining whether funds were spent as intended.

Agency comments

We provided Commerce with a draft of this report. Commerce did not provide comments at a departmental level; however, NIST and NOAA provided technical comments which we incorporated as appropriate.

GAO Contact

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We conducted this performance audit from March 2022 to September 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Source (cover photo): Kalyakan/stock.adobe.com.
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