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Washington, D.C. 20548

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Resources, Community, and  
Economic Development Division

B-278305

November 12, 1997

The Honorable Carol M. Browner  
Administrator  
Environmental Protection Agency

Subject: Results Act: Observations on EPA's Strategic Plan

Dear Ms. Browner:

In response to congressional requests, we have reviewed your agency's July 1, 1997, draft strategic plan and the revised plan submitted to the Office of Management and Budget and the Congress on September 30, 1997. We provided our assessment of the draft plan in a July 1997 report.<sup>1</sup> We also briefed congressional staff on the results of our review of the September 1997 plan on October 15, 1997. This letter summarizes our observations.

We believe that the Environmental Protection Agency (EPA) has made considerable progress in developing a strategic plan that can serve as an effective cornerstone for the agency's implementation of the Government Performance and Results Act. The July 1997 draft plan provided a good indication of EPA's planned direction and major efforts to achieve its mission. It also provided a basis for holding the agency accountable for achieving results. The September 1997 plan improves on the draft plan, notably in (1) adding sections on program evaluations used in preparing the plan and the relationship of the plan's general goals to annual performance goals, (2) describing the coordination of the plan with other federal agencies, and (3) expounding on the role of the states in implementing EPA's programs. However, strategic planning is a continuing process and further improvements could be made in future revisions or updates of the plan, for example, in continuing to work to make the strategic goals and objectives more results-oriented and measurable and to better consider the role of other agencies in

<sup>1</sup>Results Act: Observations on EPA's Draft Strategic Plan (GAO/RCED-97-209R, July 30, 1997).

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achieving national environmental goals. (The enclosure discusses in more detail our observations on both the July 1997 draft plan and the September 1997 plan.)

In addition to these observations, we would like to highlight two issues that we believe are critical to the credibility and success of the agency's strategic planning process: (1) ensuring the availability of sufficient scientific and environmental data and (2) coordinating plans and activities with other agencies that have similar or crosscutting functions. While the strategic plan recognizes that further work in these areas is needed, the annual performance plans provide an opportunity to set out more specific actions and milestones to address these issues.<sup>2</sup>

EPA needs considerable scientific and environmental data on the state of the nation's environment and on the health and ecological effects of pollution. These data are needed to identify and establish priorities and strategies for addressing health and environmental problems. They are also needed to assess the impact of EPA's programs and activities in carrying out these priorities and strategies, as expressed in the agency's strategic goals and objectives.<sup>3</sup> As pointed out in our July 1997 report, EPA has collected much scientific and environmental information. However, many gaps exist, and the data are often difficult to compile because different collection methods have been used. Although addressing these problems could be costly, initiatives such as EPA's new Center for Environmental Information and Statistics and the agency's plans to conduct statistical assessments of national environmental databases that it maintains should provide the mechanism to identify principal data needs and establish priorities for filling them. EPA's annual performance plans could include specific actions to identify and fill the data needs, and future updates of the strategic plan could more explicitly reflect the agency's longer-term objectives and strategies concerning data.

With regard to coordination with other federal agencies, an appendix to the September 1997 strategic plan identified a total of 25 agencies with activities

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<sup>2</sup>Under the Government Performance and Results Act, each agency is to also prepare annual performance plans, beginning with fiscal year 1999. These plans are to contain annual performance goals that must be related to the general goals and objectives of the strategic plan, and identify performance indicators that the agency will use to assess its progress.

<sup>3</sup>Managing for Results: EPA's Efforts to Implement Needed Management Systems and Processes (GAO/RCED-97-156, June 18, 1997).

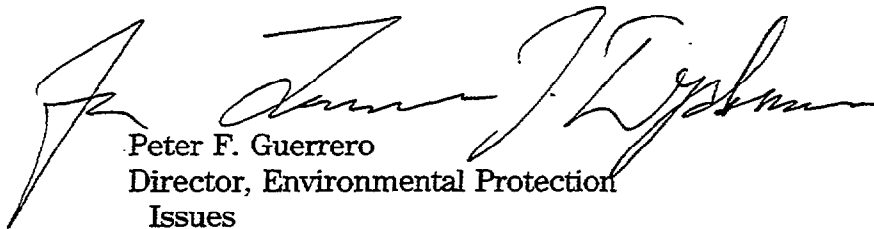
related to EPA's efforts under one or more of its goals. According to the appendix, EPA has initiated steps to begin working closely with those agencies with which it shares responsibility for setting standards and managing programs to improve human health and the environment. The appendix further states that these actions will help to establish long-term efforts to address any inconsistencies, conflicts, or redundancies among federal programs. Annual performance plans could identify the actions to be taken to review crosscutting or similar functions with other agencies, and future revisions or updates to the strategic plan could report the results and any changes needed in EPA's programs.

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We are providing copies of this report to the Members of Congress who requested our earlier reviews of the agency's strategic plan: the Majority Leader, House of Representatives, and the Chairmen of the House Committees on the Budget, Government Reform and Oversight, and Appropriations. We are also sending copies to the Chairmen of the Senate Committee on Environment and Public Works, the House Committee on Commerce, and the House Committee on Science. In addition, we are providing copies to the Ranking Minority Members of these Committees and to the Director, Office of Management and Budget. Copies are available to others on request.

Please call me at (202) 512-6111 if you or your staff have any questions about this report.

Sincerely yours,



Peter F. Guerrero  
Director, Environmental Protection  
Issues

Enclosure

OBSERVATIONS ON THE ENVIRONMENTAL PROTECTION AGENCY'S  
STRATEGIC PLAN

The following summarizes our observations on (1) the Environmental Protection Agency's (EPA) July 1, 1997, draft strategic plan; (2) the improvements that were made in preparing the September 30, 1997, plan; and (3) further improvements that could be made.

KEY OBSERVATIONS ON THE DRAFT PLAN

EPA's draft strategic plan contained four of the six elements required by the Results Act: (1) a mission statement, (2) general goals and objectives, (3) approaches or strategies to achieve the goals and objectives, and (4) an identification of key external factors. For these four elements, we noted that the draft plan did not contain all of the details suggested by Office of Management and Budget (OMB) Circular A-11 and/or that other improvements could be made to increase the plan's usefulness. The two elements not included in the draft plan were (1) the relationship between the general goals and objectives and the annual performance goals and (2) the program evaluations used in developing the plan and a schedule for future evaluations. Although the draft plan contained a section on program evaluation, the discussion focused on the role of evaluation in assessing future results and provided general criteria for deciding which evaluations to perform in the future.

The draft strategic plan did not discuss interagency coordination for the crosscutting programs, activities, or functions that are similar to those of other federal agencies. It is important that the plan do so because EPA and other agencies carry out a number of mission-related activities that are crosscutting or similar. Our July 30, 1997, report noted that EPA had begun taking steps to coordinate its plan with other agencies, such as the Department of Energy and the National Aeronautics and Space Administration, to address crosscutting programs and activities.

The draft plan included actions to address major management challenges that we had previously identified, such as ensuring the quality and completeness of scientific research. However, it provided limited details on how these long-standing problems are to be resolved.

IMPROVEMENTS MADE IN THE PLAN

EPA made changes in its strategic plan to make it more responsive to the specific requirements of the Results Act, to improve its clarity, and to provide information on the coordination of the plan with other federal agencies. In addition, the agency strengthened the plan's treatment of management problems by including several additional actions to resolve them.

In the September 30, 1997, version of its strategic plan, EPA added the two elements required by the Results Act that were missing from the draft plan: (1) the relationship of the general goals in the strategic plan to the performance goals to be included in the annual performance plan and (2) the program evaluations used in developing its general goals and objectives. The issued plan also incorporates improvements in other elements required by the Results Act. For example, the section identifying key external factors was expanded to include additional factors, such as changes in producer and consumer behavior, that could directly affect the achievement of the plan's goals and objectives. The mission statement was also revised to coincide more closely with the language of the agency's statutes.

EPA improved the clarity of its strategic plan in several ways. It added information that explains how the agency's responsibilities for human health and the environment intersect with or support the work of other federal departments or agencies, such as the Departments of the Interior and Health and Human Services. It also added information that better describes the important role of the states as having primary responsibility for implementing many day-to-day environmental program activities, such as issuing permits and monitoring environmental conditions. In addition, EPA added statements to clarify the relationship among certain components of its plan, that is, the goals and objectives, guiding principles, and planned cross-agency program activities. Furthermore, an addendum listing the agency's potential authorities was revised to identify the actual authorities by goal and objective.

The information that EPA added on interagency coordination of the plan included the major steps it took to coordinate with other agencies. The plan also identifies a total of 25 federal agencies with activities related to EPA's efforts under one or more of its goals. According to the plan, the actions taken to coordinate with other agencies on the plan will help to establish long-term efforts to address any inconsistencies, conflicts, or redundancies among federal programs, as identified in any future strategic plan and annual performance plans.

To better address management problems, EPA made changes to the plan concerning its working relationship with the states, the quality and completeness of its science, and financial management. The National Environmental Performance Partnership System was developed by EPA and the states in 1995 as a more collaborative approach to implementing environmental programs. The plan now sets out the objectives of the partnership system and identifies how they will be accomplished. In addition, the plan now makes conducting peer reviews and providing guidance on the science underlying the agency's decisions an objective under the "sound science" goal. As noted in our July 1997 report, the use of peer review is an important means of ensuring the credibility of the scientific and technical documents that the agency uses in its work. Furthermore, EPA added a performance measure to the "effective management" goal dealing with the

need to successfully implement the Chief Financial Officers Act and the Government Management Reform Act. This performance measure will help ensure that EPA addresses financial management issues that resulted in the agency's receiving a qualified opinion on its fiscal year 1996 financial statements.

#### FURTHER IMPROVEMENTS THAT COULD BE MADE

Several revisions that we suggested in our previous report have not been made. Some of these suggested revisions relate to improvements in aspects of the six elements required by the Results Act, while others deal with further improvement in the treatment of management and data problems and the effectiveness of the plan in conveying the agency's priorities.

Although the plan provides a general methodology for selecting future program evaluations and describes how they are to be used, it does not identify the general scope and time frames of the evaluations, as encouraged by OMB's guidance. In addition, as in the draft plan, (1) some of the goals and objectives, such as those for effective management, are not stated in quantifiable or measurable terms; (2) staffing skills and resources are generally not discussed as part of the plan's description of how goals and objectives are to be achieved; and (3) because strategies are generally organized by goal rather than objective, it is not always clear how specific strategies relate to specific objectives. Moreover, future revisions or updates of the plan could further benefit from a more detailed discussion of how other federal agencies and the states are to contribute to individual goals and objectives.

In future revisions or updates of the plan, EPA may also want to more explicitly identify and discuss actions to resolve the management and data problems identified by the agency and others because of their importance to the agency's operations and the achievement of its goals and objectives. This more explicit treatment would improve the credibility of the plan by demonstrating that the agency recognizes the significance of these problems and is committed to resolving them.

As the strategic plan evolves over time, EPA could improve its effectiveness in conveying the agency's priorities. The large number of goals and objectives, coupled with the guiding principles and planned cross-agency program actions, continue to make it difficult to discern EPA's priorities. To better convey its priorities, EPA could directly relate the cross-agency programs to specific goals and objectives or further consolidate its goals or objectives.

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