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GRANTS MANAGEMENT

EPA Partially Follows Leading Practices of Strategic Workforce Planning and Could Take Additional Steps

GAO Highlights

GRANTS MANAGEMENT

EPA Partially Follows Leading Practices of Strategic Workforce Planning and Could Take Additional Steps

Why GAO Did This Study

In 2015, EPA awarded roughly $3.9 billion, about 49 percent of its budget, in grants to states, local governments, tribes, and other recipients. These grants supported activities, such as repairing aging water infrastructure. GAO was asked to review how EPA manages its grants workforce.

This report examines (1) how staffing levels and workloads changed for EPA grants management personnel during fiscal years 2006 through 2015, the most recent years for which data were available, and (2) the extent to which EPA follows leading practices of strategic workforce planning in managing its grants workforce. GAO reviewed agency documents; analyzed EPA data; and interviewed officials from headquarters, all 10 regional offices, and a nongeneralizable sample of 3 of 10 national program offices that manage grants, which GAO selected for factors such as size of the offices' grants workforces and portfolios.

What GAO Recommends

GAO is making five recommendations, including that EPA develop documented processes that can be consistently applied by EPA offices to (1) collect and analyze data about grants management workloads and (2) use these data to inform FTE allocations. EPA should also (3) review project officer critical skills and competencies and determine training needs to address gaps and (4) develop recruitment and retention performance measures and collect performance data for these measures. EPA agreed with four of the recommendations and partially agreed with the fifth, which GAO clarified to address EPA's comments.

View GAO-17-144. For more information, contact J. Alfredo Gómez at (202) 512-3841 or gomezj@gao.gov.

What GAO Found

Staffing levels for U.S. Environmental Protection Agency (EPA) grants management personnel generally declined during fiscal years 2006 through 2015, but it is unclear how workloads may have changed during this time frame. Specifically, the number of grant specialists and project officers—EPA's key grants management personnel—who entered information about grant actions into the agency's automated grants management system at key points in the process—declined by 20 percent and 41 percent, respectively. However, it is unclear how workloads may have changed because available information is contradictory, EPA has not consistently tracked and analyzed key aspects of grants management workload over time, and the agency does not have a process for doing so. Under federal standards for internal control, agencies are to clearly document internal controls. In addition, federal guidance states that agencies should take steps to assess and, as appropriate, resize full-time equivalents (FTE) to achieve the agencies' missions as effectively and efficiently as possible. Because EPA does not have a documented process that can be consistently applied to obtain workload data across offices, its regional and national program offices allocate FTEs to grants management positions using varying processes, such as assessing "pain points" as they arise and shifting personnel from other groups within a region to manage grants when necessary. Without developing a documented process that can be consistently applied by EPA offices to collect, analyze, and use workload data to inform FTE allocations, EPA cannot track changes in workload or have assurance that it is allocating grants management resources in an effective and efficient manner.

EPA partially follows leading practices of strategic workforce planning for its grants personnel by identifying critical skills and competencies, primarily for grant specialists; developing strategies to address skill and competency gaps by updating training courses as EPA issues new regulations; and taking some steps to monitor and evaluate progress by developing some performance measures for its 2016-2020 Grants Management Plan. However, according to agency officials, EPA has not reviewed project officer critical skills and competencies because of competing priorities. Such a review could help EPA determine training needs to address any gaps identified. GAO has found that leading practices of strategic workforce planning include identifying the critical skills and competencies needed to achieve current and future programmatic results, as well as developing strategies—such as training—to address skill and competency gaps. Using these practices could help EPA ensure that it has people with the right skills to meet the goals of its Grants Management Plan. EPA's plan also does not contain performance measures to monitor and evaluate recruitment and retention efforts for its grants personnel, or to show how these efforts contribute toward the agency's human capital goals and programmatic results. GAO has found that monitoring and evaluating progress toward human capital goals is a leading practice. By developing performance measures to track the effectiveness of its recruitment and retention efforts, and collecting performance data for these measures, EPA could enhance its ability to identify both performance shortfalls as well as appropriate corrective actions.

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United States Government Accountability Office

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Abbreviations

EPA	U.S. Environmental Protection Agency
FTE	Full-time Equivalent
GPRA	Government Performance and Results Act of 1993
GS	General Schedule
IG	Office of Inspector General
OMB	Office of Management and Budget
OPM	U.S. Office of Personnel Management
VERA	Voluntary Early Retirement Authority
VSIP	Voluntary Separation Incentive Payments

GAO
U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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January 9, 2017

The Honorable Tim Murphy
Chairman
Subcommittee on Oversight and Investigations
Committee on Energy and Commerce
House of Representatives

The Honorable Fred Upton
House of Representatives

In 2015, the U.S. Environmental Protection Agency (EPA) awarded roughly $3.9 billion—about 49 percent of its budget—in grants to states, local governments, tribes, and other recipients.[1] Grants are an important tool that EPA uses to help achieve its mission of protecting human health and the environment. The agency awards grant funds under multiple programmatic statutory authorities, such as the Water Quality Act of 1987 and the Safe Drinking Water Act Amendments of 1996. The grants EPA awarded in 2015 supported a variety of activities, such as repairing and replacing the nation's aging water infrastructure, cleaning up hazardous waste sites, improving air quality, and preventing pollution.

During the past 10 years, EPA Inspector General (IG) and GAO reports have found weaknesses in how EPA conducts workforce planning—including planning for its grants workforce—and in how it manages grants.[2] For example, in 2010, the IG found that EPA did not have an

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[1]EPA provides financial assistance to recipients, such as states, local governments, tribes, and others, through various agreements, such as grants and cooperative agreements. With grants, EPA is not expected to have substantial involvement with the recipient in carrying out its activities. In contrast, with cooperative agreements, EPA is expected to have substantial involvement with the recipient in carrying out its activities. For the purposes of this report, we refer to all EPA financial assistance agreements as grants and refer to all recipients as grantees.

[2]U.S. Environmental Protection Agency, Office of Inspector General, *The EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions*, Report No. 13-P-0366 (Aug. 30, 2013) and *EPA Needs to Strengthen Internal Controls for Determining Workforce Levels*, Report No. 11-P-0031 (Dec. 20, 2010). GAO, *Grants Management: EPA Could Improve Certain Monitoring Practices*, GAO-16-530 (Washington, D.C.: July 14, 2016); *Workforce Planning: Interior, EPA, and the Forest Service Should Strengthen Linkages to Their Strategic Plans and Improve Evaluation*, GAO-10-413 (Washington, D.C.: Mar. 31, 2010); and *Grants Management: EPA Has Made Progress in Grant Reforms but Needs to Address Weaknesses in Implementation and Accountability*, GAO-06-625 (Washington, D.C.; May 12, 2006).

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agency-wide process for determining employment levels based on workload—the amount of work a worker is assigned or expected to complete in a specified time period—because the agency had not developed a workload assessment methodology.[3] As a result, the agency could not provide reasonable assurance that its personnel resources were sufficient to address mission needs. In 2011, the IG also reported that EPA's Office of Grants and Debarment—which develops national grant policies and guidance, among other things—had not adopted a comprehensive process for collecting and analyzing workload data.[4] The IG noted that such data consist of two components: (1) the identified activities that must be conducted to complete a work effort and (2) the actual or estimated time it takes to perform each identified activity. In July 2016, we found that EPA employs certain practices that may increase administrative burdens on available grants management personnel.[5] As a result, we recommended that EPA take steps to reduce duplicative reporting by grantees, among other things; the agency generally agreed with these recommendations.

Our prior work also has found several leading practices of strategic workforce planning, such as identifying the critical skills and competencies needed to achieve current and future programmatic results.[6] In addition, we concluded in 2015 that mission-critical skill gaps within federal agencies and across the federal workforce pose a high risk to the nation because they impede the government from serving the public in cost-effective ways while achieving results.[7] Furthermore, in 2012, a working group of Chief Human Capital Officers in the federal

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[3]U.S. Environmental Protection Agency, Office of Inspector General, *EPA Needs to Strengthen Internal Controls for Determining Workforce Levels*.

[4]U.S. Environmental Protection Agency, Office of Inspector General, *EPA Needs Workload Data to Better Justify Future Workforce Levels*, Report No. 11-P-0630 (Sept. 14, 2011).

[5]GAO-16-530.

[6]GAO has reported that strategic workforce planning addresses two critical needs: (1) aligning an organization's human capital program with its current and emerging mission and programmatic goals and (2) developing long-term strategies for acquiring, developing, and retaining staff to achieve programmatic goals. GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

[7]GAO, *Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps*, GAO-15-223 (Washington, D.C.: Jan. 30, 2015).

government identified grants management as a mission-critical competency across the federal government.

This report responds to your request for us to review EPA's management of its grants workforce. This report examines (1) how staffing levels and workloads changed for EPA's grants management personnel during fiscal years 2006 through 2015 and (2) the extent to which EPA follows leading practices of strategic workforce planning in managing its grants workforce. To examine how staffing levels and workloads changed for EPA's grants management personnel during fiscal years 2006 through 2015—the most recent years for which data were available at the time of our analysis—we analyzed data for these years from EPA's Integrated Grants Management System on grant specialists and project officers who entered information about grant actions into the system.[8] We assessed the reliability of the data by reviewing agency documents about the system and meeting with relevant agency officials to discuss the system's data reliability measures. We determined that the data were sufficiently reliable for the purposes of our reporting objectives. We also reviewed EPA documents, such as draft findings from EPA's 2015 project officer workforce review,[9] and interviewed EPA officials about the staffing levels and workloads of grants personnel. We interviewed officials in headquarters, as well as in all 10 EPA regional offices and 3 of the 10 national program offices that manage grants. We selected the 3 national program offices—a small office, a medium office, and a large office— based on factors such as the sizes of their grants workforces and portfolios. Information from the national program office interviews is not generalizable to all national program offices but provides illustrative examples.

To examine the extent to which EPA follows leading practices of strategic workforce planning in managing its grants workforce, we reviewed agency documents such as EPA's *Grants Management Plan, 2016-2020*; *Request for Voluntary Early Retirement Authority and Voluntary*

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[8]For the purposes of this report, "grants management personnel" refers to grant specialists and project officers, whom EPA officials described as holding the two key positions within the agency's grants management workforce. Data on grant specialists and project officers who entered information about grant actions into EPA's Integrated Grants Management System do not represent actual staffing levels but are a proxy for such information.

[9]U.S. Environmental Protection Agency, *Draft Findings and Analysis: Project Officer Workforce Review* (May 2015).

Separation Incentive Payments (VERA/VSIP) for the Office of Administration and Resources Management; and *Results for Grants Management Officer Initiative*.[10] We also interviewed EPA officials from the Office of Grants and Debarment, Office of Human Resources, Office of Budget, all the regional offices, and the selected national program offices. Using information obtained from these sources, we compared the agency's efforts to manage its grants workforce with selected leading practices of strategic workforce planning identified in our December 2003 report, *Key Principles for Effective Strategic Workforce Planning*.[11] We focused on three leading practices of strategic workforce planning that we judged most relevant to the agency's grants management staff: (1) identifying critical skills and competencies needed to achieve current and future programmatic results, (2) developing strategies to address skill and competency gaps, and (3) monitoring and evaluating progress toward human capital goals and programmatic results. For additional perspectives on issues related to EPA's grants management workforce, we interviewed members of the National Grants Management Association and Environmental Council of the States.[12] Further information about the scope and methodology of our review is presented in appendix I.

We conducted this performance audit from November 2015 to January 2017 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.

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[10]U.S. Environmental Protection Agency, *Grants Management Plan, 2016-2020* (Washington, D.C.: February 2016); *Request for Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments for the Office of Administration and Resources Management* (Washington, D.C.: Oct. 28, 2014); and *Results for Grants Management Officer Initiative* (Washington, D.C.: May 2016).

[11]GAO-04-39.

[12]The National Grants Management Association is a membership organization that provides tools and resources to grants management professionals, according to the association's website. The Environmental Council of the States is a nonpartisan association of state and territorial environmental agency leaders, according to the council's website. The council's purpose is to improve the capability of state environmental agencies and to protect and improve human health and the environment of the United States.

Background

Awarding and managing grants involves numerous offices across EPA, including EPA's Office of Grants and Debarment, 10 national program offices in headquarters, and 10 regional offices. The Office of Grants and Debarment develops national grant policies and guidance, awards some grants, and oversees EPA's administrative grants management across the agency. National program offices in headquarters implement national policies for their grant programs and oversee the technical and program-specific aspects of grants administered at the headquarters level. Regional offices award grants and provide administrative, technical, and program-specific oversight for grants administered at the regional level. In these offices, EPA officials said two key positions within EPA's grants workforce perform most grants management activities:

Grant specialists: Grant specialists are hired into the Office of Personnel Management's (OPM) Grants Management Specialist job series (1109).[13] Grant specialists typically manage the administrative aspects of grants on a full-time basis. For example, they review grant application budgets, prepare grant awards and any amendments for official signature, and monitor grants for compliance with administrative requirements. They also are responsible for, among other things, providing administrative guidance and direction to grantees and project officers. For example, grant specialists may interpret and clarify agency policies and administrative regulations and provide advice and counsel on payment procedures and other administrative matters.

Project officers: Project officers are assigned to individual grants according to their subject matter expertise, and they typically manage the programmatic or technical aspects of grants as a collateral duty. Unlike grant specialists, project officers may be hired into different job series such as OPM's Environmental Scientist (1301) or Environmental Engineer (819) job series. In addition to managing grants, project officers may have non-grant-related responsibilities, such as managing aspects of EPA programs. For example, the manager of the Chesapeake Bay Program's data center may also serve as a project officer for several grants. The grant-related responsibilities of project officers include providing technical assistance to grantees and overseeing grantees to

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[13]Recognizing the need for a classification that would more accurately capture the work of federal employees who manage grants, the Office of Personnel Management in 2010 created the "Grants Management Specialist" job series. See: GAO, *Grant Workforce: Agency Training Practices Should Inform Future Government-wide Efforts*, GAO-13-591 (Washington, D.C.: June 28, 2013).

ensure they meet the programmatic goals of the grants. For example, project officers may negotiate work plans with grantees. These work plans outline EPA and grantees' agreed-upon goals, objectives, activities, time frames, and contributions to program results, among other things. Project officers' activities also may include working with grantees to clarify or further refine the discussion of environmental results in their work plans and ensuring that the work plans can be linked to EPA's strategic plan goals.

The grant life cycle at EPA has four main stages: (1) pre-award, in which EPA announces a grant opportunity, applicants apply, and EPA reviews grant applications; (2) award, in which EPA selects a grantee; (3) implementation, in which EPA disburses payments to the grantee and the grantee accomplishes the work; and (4) closeout, in which EPA ensures the grantee has completed all required technical work and administrative requirements, such as submittal of progress reports.[14]

Grant specialists and project officers have different responsibilities at each stage of the grant life cycle, as shown by the examples in figure 1.

[14]In general, progress reports should contain information that compares grantee progress with the stated grant objectives, identifies any problems with meeting these objectives, and explains the reasons for those problems.

Figure 1: Examples of U.S. Environmental Protection Agency (EPA) Grant Specialist and Project Officer Responsibilities during the Grant Life Cycle

EPA grant specialist	Stage	EPA project officer
• Reviews grant applications to ensure that they are complete and comply with all administrative requirements. Working with the project officer, ensures that applicants comply with regulatory and statutory requirements. • Reviews grant budgets to ensure that proposed costs are eligible, allocable, and needed. • Develops administrative grant terms and conditions, and assists the project officer in developing appropriate programmatic grant conditions.	**1** Pre-award	• Provides programmatic guidance and planning information to assist applicants with developing work plans and budgets. • Reviews grant applications and proposals. For competitive awards, ensures that the selection documentation is complete and accurate. • Creates the funding recommendation and commitment notice.[a] This includes conducting a programmatic cost review to ensure that proposed costs are eligible, reasonable, and needed.
• Reviews the contents of the funding package. • Creates the award document and assembles the award package for mail-out.	**2** Award	• Tracks the funding package approval process. • Finalizes the signed funding package.
• Leads onsite or desk reviews to evaluate the grantee's financial management policies, procedures, and systems, as well as compliance with administrative terms and conditions. • Conducts financial reviews of grantee draw-downs (e.g., reviews timesheets or travel vouchers) to ensure that grantees comply with federal requirements, and takes appropriate actions when grantees do not comply. • Conducts annual administrative baseline reviews[b] of all grants to ensure compliance with administrative requirements, and addresses any compliance issues or concerns. • Works with the grantee and project officer to determine the need to amend a grant, and amends it if necessary.	**3** Implementation	• Leads onsite or desk reviews to evaluate grantee compliance with programmatic terms and conditions, such as achieving expected outputs and outcomes. • Conducts programmatic reviews of grantee draw-downs to ensure that grantees comply with federal requirements, and coordinates with grant specialists to address non-compliance. • Conducts annual programmatic baseline reviews[c] of all grants to ensure grantees comply with programmatic requirements, and addresses any issues or concerns. • Works with the grantee and grant specialist to determine the need to amend a grant, and amends it if necessary.
• Ensures receipt of all required documents and coordinates with the finance office and project officer to ensure that the grantee has met all requirements. • Reviews all closeout documents, closes the agreement, and resolves any issues. Also ensures proper records management and document archiving.	**4** Closeout	• Ensures that all project deliverables, such as technical reports and other deliverables associated with the grant, are acceptable and timely. • Ensures proper records management and document archiving.

Source: GAO analysis of information from the U.S. Environmental Protection Agency (EPA). | GAO-17-144

[a]According to EPA training documents, a commitment notice indicates to the grantee that funds are available. It also ensures that funds are not committed to or spent by another party while the grant is being processed.

[b]An administrative baseline review is a review of a project's financial and administrative management. For example, grant specialists ensure compliance with the administrative terms and conditions of a grant.

[c]A programmatic baseline review is an evaluation of the project's overall management and progress in completing the specific goals, objectives, and milestones. For example, project officers ensure compliance with the scope of work.

In addition to grant specialists and project officers, other personnel contribute to EPA's grants management process. For example, Assistant Regional Administrators and, in some instances, grants management officers—senior EPA representatives who oversee grant specialists— serve as award officials responsible for awarding grants and obligating grant funds at the regional level. In addition, some regional and national

program offices hire Senior Environmental Employment enrollees to help manage some of the administrative and financial aspects of grants.[15]

Data Indicate That Staffing Levels Generally Declined, but It Is Unclear How Workload May Have Changed during Fiscal Years 2006 through 2015

Data from EPA's Integrated Grants Management System indicate that staffing levels for the agency's grants management personnel generally declined during fiscal years 2006 through 2015, but EPA is not consistently collecting or analyzing data on project officer full-time equivalent positions (FTE), and it is unclear how workloads may have changed during this period.[16] The reason it is unclear how these workloads may have changed during this period is because available information is contradictory and EPA's regional and national program offices have not consistently tracked key aspects of workload over time, as the agency does not have a documented process that can be consistently applied to obtain workload data. Without a documented process, EPA's regional and national program offices use varying processes to allocate FTEs to grants management positions.

Data Indicate That Grants Management Staffing Levels Generally Declined, but EPA Is Not Consistently Collecting or Analyzing Project Officer FTE Data
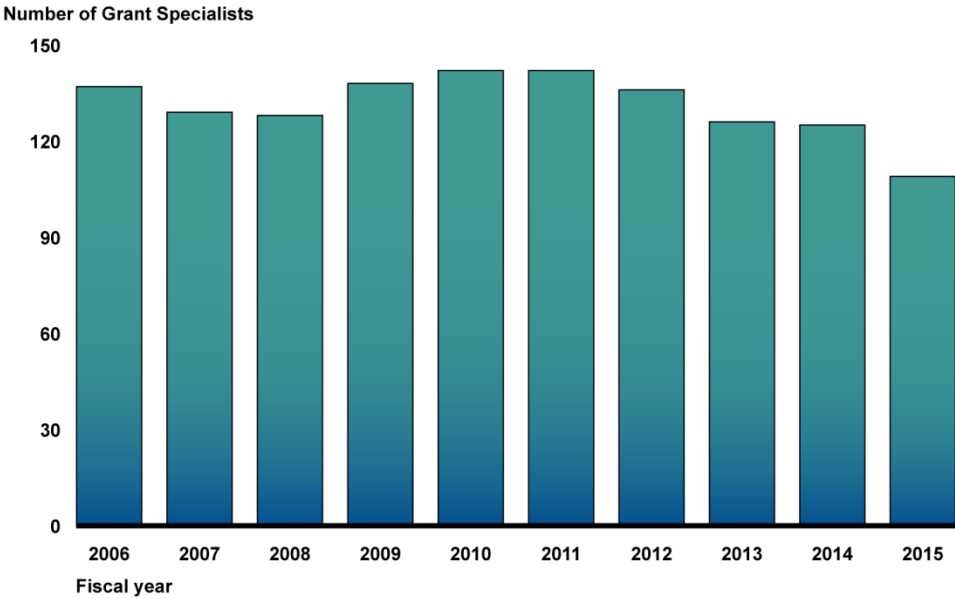
Data from EPA's Integrated Grants Management System indicate that staffing levels for the agency's grants management personnel generally declined during fiscal years 2006 through 2015. The Integrated Grants Management System can track by regional and national program office the number of grant specialists and project officers who enter information about grant actions into the system each year. Grants management personnel enter information about grant actions into the system at key points in the grants management process, such as when they adjust costs or approve extensions. According to EPA's analysis of Integrated Grants Management System data, during fiscal years 2006 through 2015, the number of grant specialists who entered such information into the system declined by about 20 percent (from 137 to 109), and the number of project officers who entered such information declined by about 41

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[15]According to EPA's website, the Senior Environmental Employment (SEE) Program provides an opportunity for retired and unemployed Americans ages 55 and older to share their expertise with EPA. These individuals are not considered federal employees and are referred to as "SEE enrollees."

[16]Under the FTE system, agencies' workforce estimates are based on the number of work years required to achieve agency missions and objectives. One work year is equivalent to 2,080 hours of work, which could mean, for example, one employee on a full-time schedule of 40 hours for 52 weeks, or two part-time employees for 20 hours per week each for the same period.

percent (from 1,504 to 885). Data on grant specialists and project officers that entered information about grant actions into EPA's Integrated Grants Management System do not represent FTEs or actual staffing levels. See figures 2 and 3 for the number of grant specialists and project officers who entered information about grant actions into the system during this period. Agency officials attribute the larger decline in project officer numbers to several factors, such as losing a number of project officers through the agency's Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP) efforts that began in 2013,[17] as well as the agency's efforts, beginning in 2005, to reduce the number of project officers managing one or two grants and to consolidate the grants workload across a smaller number of project officers.

Figure 2: Number of Grant Specialists Who Entered Information about Grant Actions into the U.S. Environmental Protection Agency's (EPA) Integrated Grants Management System (Fiscal Years 2006-2015)

Source: GAO representation of U.S. Environmental Protection Agency (EPA) analysis. | GAO-17-144

Note: EPA grants management personnel enter information about grant actions into the agency's Integrated Grants Management System at key points in the grants management process, such as when personnel adjust costs or approve extensions.

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[17]VERA and VSIP authorities offer agencies options to increase voluntary separation so that agencies can restructure their workforces and avoid involuntary separation actions.

Figure 3: Number of Project Officers Who Entered Information about Grant Actions into the U.S. Environmental Protection Agency's (EPA) Integrated Grants Management System (Fiscal Years 2006-2015)

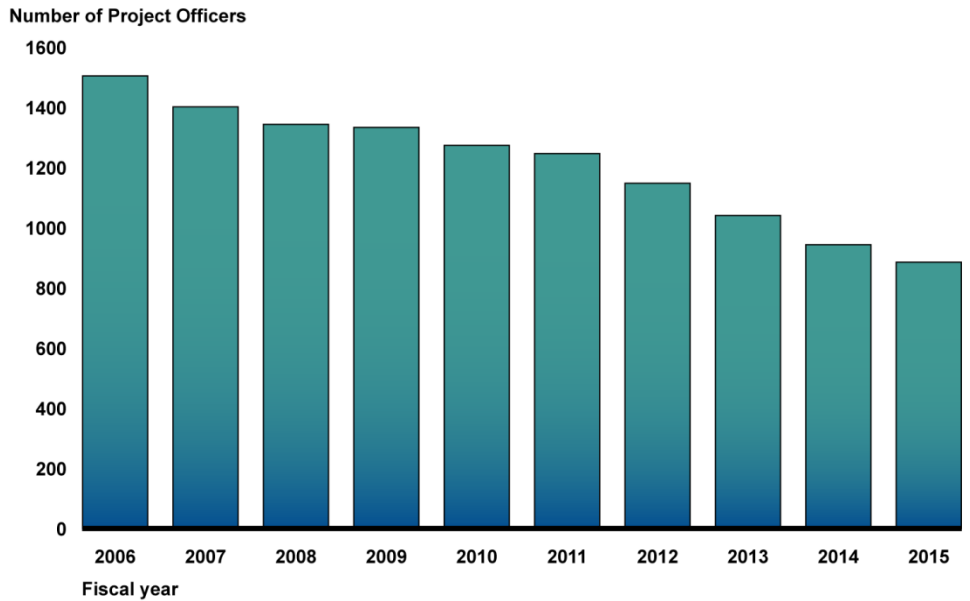Number of Project Officers

Source: GAO representation of U.S. Environmental Protection Agency (EPA) analysis. | GAO-17-144

Note: EPA grants management personnel enter information about grant actions into the agency's Integrated Grants Management System at key points in the grants management process, such as when personnel adjust costs or approve extensions.

EPA officials we interviewed attribute the overall decline in grants management staffing levels to several budgetary decisions. For example, officials said that every regional and national program office lost FTEs during fiscal years 2006 through 2015 due to budget cuts and sequestration.[18] During this period, the agency's overall staffing levels declined about 13 percent (from 17,631 to 15,325). The agency's VERA/VSIP efforts also contributed to a decline in staffing levels for grants management personnel. For example, one regional office lost two grant specialists and its grants management officer as a result of the

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[18]Sequestration is the cancellation of budgetary resources. The Budget Control Act of 2011 revived this budgetary enforcement mechanism to encourage agreement on deficit reduction legislation or, in the event that such agreement was not reached, automatically reduce spending so that an equivalent budgetary goal would be achieved. Sequestration for certain categories of spending was triggered in fiscal year 2013 after the Joint Select Committee on Deficit Reduction did not propose, and Congress and the President did not enact, legislation to reduce the deficit by at least an additional $1.2 trillion.

agency's VERA/VSIP efforts, which were intended to streamline the agency's workforce in the face of budget realities. Combined with routine turnover and the death of an employee, these losses meant that from April 2014 through December 2015, the region's grants management office, which can employ grant specialists, senior grant specialists, and other personnel, lost 9 of its 17 personnel. This loss of personnel created a "big shock to the system," according to officials from this regional office.

EPA has data on the number of grant specialists and project officers who enter information about grant actions into the Integrated Grants Management System, and the agency collects information about the number of grant specialists, who generally work full time on grants. However, EPA does not consistently collect or analyze data about project officer FTEs at the headquarters or regional and national program office levels. At the headquarters level, the agency can collect information about grant specialists in its human resources data system because grant specialists have a unique job series designation. However, this system does not have data about which EPA personnel have been assigned project officer responsibilities. Similarly, EPA does not collect data in its Integrated Grants Management System about the number of project officers who manage grants as a collateral duty—which is typical—or the amount of time each project officer spends managing grants. Therefore, the Integrated Grants Management System cannot be used to quantify FTE levels. Officials from the Office of Grants and Debarment said that to obtain such data, the office would have to conduct a data call with regional and national program offices, which it has done in the past. Officials we interviewed from one national program office said that it would be helpful if the agency tracked project officer FTEs in a centralized database, because doing so would be less resource intensive than responding to data calls. At the regional and national program office level—where EPA employees are assigned project officer duties—some offices were able to provide us with data reflecting the number of project officers who carry out these duties on a full-time basis or as a collateral duty. Other offices could not readily provide these data.

Office of Management and Budget (OMB) Circular No. A-11 states that agencies should take steps to assess and, as appropriate, restructure, retrain, and resize FTE levels to achieve their missions as effectively and efficiently as possible.[19] Because EPA does not consistently collect and

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[19]Office of Management and Budget, *Preparation, Submission, and Execution of the Budget*, OMB Circular No. A-11 (Washington, D.C.: July 2016).

analyze information about project officer FTEs and does not have a process for doing so, the agency cannot know the level of resources used to manage the agency's $3.9 billion grants portfolio. Under *Standards for Internal Control in the Federal Government*,[20] agencies are to clearly document internal controls, and this documentation is to appear in management directives, administrative policies, or operating manuals. By developing a documented process for regional and national program offices to collect and analyze data about project officer FTEs, EPA can have better assurance that its offices consistently collect information on project officers and that the agency and its offices are better positioned to assess and, as appropriate, restructure or resize FTE levels to meet the agency's significant grant-making responsibilities.

It Is Unclear How Workload May Have Changed Because Available Information Is Contradictory and EPA Has Not Consistently Tracked Workload over Time

It is unclear how workloads for EPA grants management personnel may have changed during fiscal years 2006 through 2015 because available information on workload is contradictory and EPA has not consistently tracked key aspects of workload during this time frame.

Available Information on Workload Is Contradictory

It is unclear how workloads may have changed partly because available information on workload for grants management personnel is contradictory. As shown in figure 4, some information indicates that the overall grants management workload may have decreased during fiscal years 2006 through 2015. For example, Integrated Grants Management System data indicate that the overall number of grant actions that EPA processed during this 10-year period declined by about 31 percent (from 8,398 to 5,764). In addition, EPA officials from the Office of Grants and Debarment and some regional officials told us that the agency has made efforts to streamline grants management processes in order to decrease the workloads of grants management personnel. For example, in 2012, the Office of Grants and Debarment contracted with external experts to

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[20]GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999). GAO has revised and reissued *Standards for Internal Control in the Federal Government*, with the new revision effective as of October 1, 2015. See GAO-14-704G (Washington, D.C.: September 2014).

review its grants management processes and identify improvements as part of EPA's Grants Business Process Reengineering Initiative. This initiative sought to streamline and standardize the grants management process at EPA and develop an improved business process to be implemented through EPA's new grants management data systems. The findings report from this initiative identified several potential improvements—such as reducing manual activities and expanding standardization in documents—that EPA could make to ensure greater consistency and reduce administrative burden.[21]

Figure 4: Available Information about Changes in Workload for U.S. Environmental Protection Agency (EPA) Grants Management Personnel (Fiscal Years 2006-2015)

Information Indicating that Workloads Decreased	Information Indicating that Workloads Increased
• Number of grant actions[a] decreased with: - Increased use of multi-year grants. - Increased use of Performance Partnership Grants.[b] - Loss of certain grant programs. • Grants processes have been streamlined, according to EPA officials.	• Data suggest[c] that staffing levels among EPA grants management personnel generally declined. • The complexity of grants increased with the consolidation of grants. • EPA implemented new grant requirements in response to factors such as new legislation.

Source: U.S. Environmental Protection Agency (EPA). | GAO-17-144

[a]EPA grants management personnel enter information about grant actions into the agency's Integrated Grants Management System at key points in the grants management process, such as when personnel adjust costs or approve extensions.

[b]Performance Partnership Grants allow grantees to combine funds from more than one environmental grant into a single grant, which may provide grantees with, among other things, increased flexibility to direct resources where they are most needed. 40 C.F.R. § 35.130.

[c]Specifically, data that EPA officials provided from the agency's Integrated Grants Management System suggest that staffing levels for the agency's grants management personnel generally declined during fiscal years 2006 through 2015.

As shown in figure 4, other information indicates that the workload for grants management personnel may have increased during fiscal years 2006 through 2015. For example, as previously mentioned, data from EPA's Integrated Grants Management System suggest that the number of personnel available to manage grants generally declined, potentially increasing individual workloads. In addition, according to officials we interviewed in most of the regional offices, the complexity of grants work and oversight increased. Some regional officials said that the complexity of grants work increased as EPA implemented new policies and

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[21]SRA International, Inc., *Grants Management Business Process Re-Engineering Initiative Findings Document* (Jan. 30, 2014).

procedures in response to factors such as new legislation. Table 1 provides examples of new grants management policies and requirements that have gone into effect at EPA since 2006. Most of the regional officials we interviewed believe that the workloads of project officers and grant specialists increased during this period as a result of these new requirements.

Table 1: Examples of New Grants Management Policies and Procedures in Effect since 2006 That Affect U.S. Environmental Protection Agency (EPA) Grants Management Workloads

New policy or requirement	Effective date	Examples of requirements for grant specialists	Examples of requirements for project officers
Policy on Compliance, Review, and Monitoring	Jan. 2008	Conduct administrative baseline monitoring for all active grants. Baseline monitoring is the periodic review of a grantee's progress and compliance with an award's scope of work, terms and conditions, and regulatory requirements.	Conduct and document annual programmatic baseline monitoring for all active grants.
EPA Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards[a]	Mar. 2009	Request pre-award reviews for administrative capability.[b]	Ensure that no new grants are made to non-profits until determined that the applicant has taken, or is scheduled to take, necessary corrective actions.
Managing Unliquidated Obligations and Ensuring Progress Under EPA Assistance Agreements[c]	Oct. 2010	Take steps to deobligate funds when project officers determine that funds are no longer needed.	Monitor project progress and annually monitor the validity of unliquidated obligations.
Guidance for the Allowability and Reasonableness of Certain Selected Items of Cost Under Assistance Agreements	Jan. 2011	Decide on the allowability and necessity of certain items based on scope of work or work plan, budget, and additional information provided by the recipient.	Consult with grant specialists to determine the reasonableness and necessity of costs for light refreshments and meals.
Policy on Community-Based Grants	Mar. 2012	Include flat indirect cost rates in award packages where authorized by the policy.[d]	Map the place of performance in EPA's GeoGrants tool, which illustrates where EPA's national and regional regulatory activities impact communities, within 20 calendar days of awarding a new grant.
Policy on Award and Administration of Foreign Grants	Apr. 2012	Ensure that funding recommendations and change requests for foreign grants include the necessary clearance.	Provide EPA's Office of International and Tribal Affairs with early notification of proposed award and supporting documentation for review and clearance.
Policy on Suspension and Debarment	Apr. 2012	Take corrective action in coordination with designated entities.	Report information to the Suspension and Debarment Division.
Policy on Timely Obligation, Award, and Expenditure of EPA Grant Funds	Oct. 2012	Collaborate with regional program offices to implement streamlined processes.	Apply streamlining principles to work plan negotiations.
Policy on State Grant Work Plans and Progress Reports	Oct. 2012	None identified.	Ensure that work plans and progress reports display essential elements: Strategic Plan goal, Strategic Plan objective, and work plan commitments and time frame.

New policy or requirement	Effective date	Examples of requirements for grant specialists	Examples of requirements for project officers
Policy on Streamlining Tribal Grants Management	Nov. 2013	Coordinate with national program offices to apply cost-review principles.	Establish clear and consistent cost allocation processes and mechanisms.
Policy on Enhancing Public Awareness of EPA Assistance Agreements	Oct. 2014	Ensure that relevant terms and conditions are included in grant awards.	Ensure compliance with requirements regarding the use of EPA's seal and logo.
Implementing Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	Dec. 2014	Become familiar with requirements of the new Uniform Grants Guidance.	Become familiar with requirements of the new Uniform Grants Guidance.
Policy on Performance Partnership Grants for States[e]	Oct. 2015	Award a Performance Partnership Grant if a state applies and meets policy requirements.	Inform the appropriate regional program manager or national program manager when concerns arise that work plan commitments are not being met.
Policy on Electronic Submission of Initial Grant Applications	Feb. 2015	Manually enter applications submitted through methods other than Grants.gov.	Manually enter applications submitted through methods other than Grants.gov.
Implementing Assistance Agreement Cybersecurity Terms and Conditions	Jul. 2015	None identified.	Refer matter to designated Information Security Officer for appropriate action.
Policy on Financial Assistance Conflict of Interest	Oct. 2015	Review measures that grantees propose taking to resolve conflict of interest issues.	Resolve conflicts of interest in consultation with designated entities.
Implementing Federal Awardee Performance and Integrity Information System	Jan. 2016	Before making an award, review information in the federal system developed to contain information about the integrity and performance of federal contractors and grantees.	None identified.

Source: U.S. Environmental Protection Agency (EPA) | GAO-17-144

[a]EPA provides financial assistance to recipients through various agreements, such as grants and cooperative agreements. For the purposes of this report, we refer to all EPA financial assistance agreements as grants.

[b]During the pre-award stage of managing a grant, the agency announces the opportunity, receives grant applications, and reviews and makes a decision about grant applications.

[c]Unliquidated obligations are those that have not yet been paid. Unliquidated obligations that are no longer needed to pay for goods and services tie up funds that could be used for other permissible purposes.

[d]The term flat rate refers to a charge or level of payment that is the same in all cases. Indirect costs cover general facility and administrative expenses and are paid as a percentage, or rate, of certain direct costs of awarded grants.

[e]Performance Partnership Grants allow grantees to combine funds from more than one environmental grant into a single grant, which may provide grantees with, among other things, increased flexibility to direct resources where they are most needed. 40 C.F.R. § 35.130.

EPA Offices Have Not Consistently Tracked Key Aspects of Workload over Time

It is also unclear how workloads may have changed, partly because regional and national program offices use different variables to track workload and these offices were unable to consistently provide us with

historic workload data for fiscal years 2006 through 2015. For example, regional officials told us that they track workloads by monitoring different variables, such as the number of awards made, number of pending closeouts, and number of grants managed by individual grant specialists and project officers; however, not all offices monitor the same variables. Because the offices use different variables to track workload, they were unable to provide consistent data for us to assess workload changes across the agency. We also were unable to assess workloads on the regional and national program office level because the offices were unable to provide complete workload data for the entire 10-year period. For example, officials from 2 of the 10 regional offices and 1 of the 3 selected national program offices were unable to provide us with any historic workload data.

In addition, the Integrated Grants Management System does not fully capture key aspects of the agency's sizeable grants management workload. Specifically, the number and dates of grant actions do not account for the non-transactional aspects of grants management work, such as training grantees. EPA officials told us that training grantees can be very time-consuming. Moreover, actions for some grants take longer to complete than actions for other grants, so monitoring the number of grant actions does not necessarily indicate the amount of time spent on each action. For example, extending the project date for a grant involving numerous parties may use more work hours than extending the project date for a less complex grant, according to EPA officials. Officials we interviewed from 4 regional offices said that for these reasons, it is inherently challenging to quantify such factors. Officials said the agency is in the process of updating the Integrated Grants Management System and enhancing the system's reporting tools. However, even with the planned upgrades, the new system will not fully capture key aspects of the grants management workload, EPA officials said.

In 2011, the IG reported that the Office of Grants and Debarment had not adopted a comprehensive process for collecting and analyzing workload data.[22] In January 2016, EPA issued a draft revised Funds Control Manual to fulfill EPA's corrective actions for several unimplemented recommendations from prior IG reports on workload analysis.[23] The draft

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[22]U.S. Environmental Protection Agency, Office of Inspector General, *EPA Needs Workload Data to Better Justify Future Workforce Levels*.

[23]U.S. Environmental Protection Agency, *Draft EPA Funds Control Manual: Administrative Control of Funds (Resource Management Directive System 2520),* n.d.

guidance describes several tools that EPA regional and national program offices can use to conduct workload analysis. Examples of such tools include two workload models—the Interagency Agreement and Grant Estimator Tool and the Project Officer Estimator Tool—that the agency developed starting in 2013 and 2014, respectively, to help regional and national program offices estimate workloads.[24] However, EPA's draft Funds Control Manual does not discuss a process for how EPA offices should obtain workload data for analysis. Under *Standards for Internal Control in the Federal Government*, agencies are to clearly document internal controls, and the documentation is to appear in management directives, administrative policies, or operating manuals.[25] Without a documented process for consistently obtaining workload data for grants management personnel across regional and national program offices, EPA cannot track how workloads change over time.

Without a Documented and Consistently Applied Process for Obtaining Workload Data, EPA Offices Allocate Grants Management FTEs Using Varying Processes

Because EPA does not have a documented process that can be consistently applied to collect and analyze workload data from regional and national program offices, officials we interviewed from these offices reported allocating FTEs to grants management positions using varying processes. For example, officials from 1 regional office told us that they determine how many FTEs to assign to grants management positions based on the amount of compensatory time requested by grants management staff. Officials from another regional office said that they know the number of personnel needed based on experience. Officials from a third regional office said that they assess "pain points" as they arise and shift staff from other groups—such as the facilities group—within the regional office to work on grants when necessary. Officials from this regional office said that they do not conduct workload analysis for the purposes of making FTE allocations because doing so would not impact the FTE ceiling that EPA allocates to the regional office.

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[24]The Interagency Agreement and Grant Estimator Tool and the Project Officer Estimator Tool were designed to estimate the amount of time that project officers and grant specialists devote to managing grants. These tools integrate and build on some of the workload estimates made by consultants in 2005 to characterize the agency's grants management workload. LMI Government Consulting, *Management of Assistance Agreements at the Environmental Protection Agency: Workload Analysis and Models*, Report EP312T1 (April 2005).

[25]GAO/AIMD-00-21.3.1.

EPA's current process for allocating FTE ceilings to regional and national program offices involves discussing budget proposals—which may or may not include personnel numbers—with regional and national program officials. EPA then allocates FTE ceilings to regional and national program offices through its formal budget process, and offices must use FTEs in a manner that is consistent with the agency's budget. The Office of Budget does not conduct workload analysis before assigning FTE ceilings, according to an Office of Budget official we interviewed. For Office of Administration and Resources Management resources in EPA's headquarters and regional offices, the agency's budget includes line items for grants management FTEs (i.e., grant specialists). However, there is no budget line item for project officers working in regional or national program offices. Line items for these offices typically are programmatically focused, and FTE allocations for EPA programs cover the varying types of work—such as regulatory development, environmental monitoring, and grants management—needed to accomplish programmatic goals. Regional and national program offices have the flexibility to assign FTEs to different functions, such as grants, contracts, and permitting.

The varying processes regional and national program offices have used to assign personnel to grants management functions have not helped ensure that EPA offices have the grants management personnel they need. For example, officials from 7 of the 10 regional offices told us that they do not have sufficient grants management personnel. To cope with this shortage, some regional officials we interviewed reported taking actions, such as:

- **Shifting resources away from other mission areas.** Officials we interviewed from 4 of the 10 regional offices said that they have shifted resources from other mission areas to meet their grant-making responsibilities. For example, officials from 1 regional office said that they have borrowed resources from their acquisition, budget, human resources, finance, and program offices when the need for grant specialists has outstripped the supply of available staff. However, these officials are aware that doing so can impact other functions within the regional office, since a variety of these functions are resource-constrained.

- **Limiting technical assistance to grantees.** Officials from 2 regional offices said that having insufficient grants management personnel has limited their ability to provide technical assistance to grantees. Officials from 1 of these regional offices described this assistance as an important mechanism for reducing the agency's risk that grants will

be mismanaged because technical support can serve as a form of agency oversight. An EPA IG handbook on grant fraud describes some of the risks of grant fraud[26]; in one real-world example, a university agreed to pay $2.5 million in damages and penalties to settle allegations that it submitted false claims for about 500 federal grants. The handbook cites general indicators of fraud, including staffing-related risks such as high turnover rates and the reassignment or termination of personnel. Additionally, several members of the Environmental Council of the States told us that technical assistance improves the grants management process in a variety of ways. For example, one state official explained that the state's grants management personnel meet with EPA regional grants management personnel at least every other year to learn about guidelines and discuss grant-related issues. These meetings help build relationships between state and EPA officials and ensure consistency across EPA regional offices.

- **Using temporary staff.** Some EPA offices use temporary staff such as detailees to assist grant specialists. However, officials from 1 regional office told us that it is difficult to temporarily fill grant specialist roles because the duties of the role take years to learn. According to a grant specialist workforce review conducted by the Office of Grants and Debarment, a new grant specialist needs about 2 years of training before he or she is able to manage a full grants workload. Therefore, using temporary staff to fill grant specialist roles may not be an effective or efficient way to meet the agency's grant-making responsibilities.

Federal guidance indicates that agencies should use workload data to inform FTE allocations and make strategic decisions about how to prioritize and efficiently use personnel. OMB Circular No. A-11 states that agencies should take steps to assess and, as appropriate, restructure, retrain, and resize FTE to achieve their missions as effectively and efficiently as possible.[27] It would be difficult for EPA to take such steps because the agency does not have consistent workload data or information on project officer FTEs from across its regional and national program offices. Moreover, EPA does not have a documented process for consistently allocating FTEs to grants management positions in regional

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[26]U.S. Environmental Protection Agency, Office of Inspector General, *When Good Money Goes Bad: True Stories of Grant Fraud at EPA* (2009).

[27]Office of Management and Budget, *Preparation, Submission, and Execution of the Budget*.

and national program offices based on analyses of workload data. Under *Standards for Internal Control in the Federal Government*,[28] agencies are to clearly document internal controls, and the documentation is to appear in management directives, administrative policies, or operating manuals. Without documenting a process for how regional and national program offices should use analyses of workload data and project officer FTEs to inform FTE allocations, EPA may not have assurance that the agency is allocating grants management resources effectively and efficiently.

EPA has shown in the past that, with guidance, it can track and account for time charged by employees. Specifically, in 2011, EPA's IG found that the agency was able to track and account for each hour spent by more than 240 employees on the Deepwater Horizon oil spill response with guidance from regional officials about how to charge time spent on the response.[29] However, the agency currently does not ask officials to track their work by the type of work performed, according to EPA officials. Instead, the agency tracks its resources by congressional appropriation, organization, more than 100 program projects, and other codes for special accounts and significant initiatives. Given the complexity that this level of detail creates, agency officials told us that the agency carefully considers the cost benefit of additional tracking and reporting.

EPA also has shown that it can use workload data to improve grants management operations. Since 2013, EPA has focused on identifying wasteful activities and eliminating them from its business processes. Efforts to streamline grants management have included reducing the overall number of grants and upgrading technology systems. Related efforts have shown that collecting workload data can help streamline operations. For example, in 2015, the Office of Grants and Debarment conducted a project officer workforce review that focused on workloads to (1) address inefficiencies resulting from project officers managing 1 or 2 grants, which can lead to substantial training costs for personnel who manage grants only occasionally, according to EPA officials, and (2) avoid unreasonably high workloads when project officers manage more than 20 grants. Through this effort, each EPA regional and national program office was responsible for collecting information about how many grants each of its project officers manages. Officials we interviewed from

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[28]GAO/AIMD-00-21.3.1.

[29]U.S. Environmental Protection Agency, Office of Inspector General, *EPA Needs Workload Data to Better Justify Future Workforce Levels*.

several of the regional and national program offices told us that the exercise helped them better understand project officer workloads and how to address workload inefficiencies. As a result of the review, EPA reduced by 11 percent the number of project officers managing 1 or 2 grants. Even with these efforts, we recently identified additional opportunities to improve efficiencies in EPA's grants management process. In July 2016, we reported, among other things, that EPA collects some information from grantees twice—once in a performance report and once in a database—because EPA uses the information for different purposes.[30]

EPA Partially Follows Leading Practices of Strategic Workforce Planning for Grants Personnel but Has Not Identified Project Officer Critical Skills and Competencies or Monitored Recruitment and Retention Efforts for Grant Specialists

EPA partially follows leading practices of strategic workforce planning for its grants management personnel by identifying critical skills and competencies needed, primarily for grant specialists, to achieve current and future programmatic results; developing strategies to address skill and competency gaps; and taking some steps to measure progress toward human capital goals and programmatic results. However, the agency has not identified skill and competency gaps for project officers or monitored and evaluated recruitment and retention efforts for its grant specialists.

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[30]GAO-16-530.

EPA Partially Follows Leading Practices by Identifying Critical Skills and Competencies, Developing Strategies to Address Gaps, and Taking Some Steps to Measure Progress

EPA partially follows three leading practices of strategic workforce planning for its grants management personnel.

Identifying Critical Skills and Competencies

Leading practice #1: Identify the critical skills and competencies needed to achieve current and future programmatic results.

- It is essential that agencies identify the skills and competencies that are critical to successfully achieving their missions and goals.

- The scope of agencies' efforts to identify the skills and competencies needed for their future workforces varies considerably. Some agencies may define all the skills and competencies needed to achieve strategic goals, while others may focus only on the most critical.

Source: GAO-04-39. | GAO-17-144

Officials from the Office of Grants and Debarment told us that they have taken some steps to identify the critical skills and competencies needed to achieve current and future programmatic results; we have found this to be a leading practice of strategic workforce planning.[31] To identify these critical skills and competencies, the officials told us they primarily rely on OPM standards, such as position classification standards for grant specialists, and new OMB requirements. The officials we interviewed said they track new requirements from OMB because these new requirements often create a need for a new skill set. For example, according to an EPA document on separation incentive payments for VERA/VSIP, during the past 10 years, new OMB requirements that relate to transparency, improved reporting of spending, and government-wide grant rules have contributed to dramatic changes in grant specialist expectations and responsibilities.[32] As a result, the skills and competencies these personnel need have increased; for example, grant specialists are required to navigate sophisticated information technology tools for compliance, reporting, and training purposes.

EPA has other ongoing efforts to identify critical skills and competencies among grants management personnel. For example, officials we interviewed from the Office of Human Resources told us that in preparation for two rounds of VERA/VSIP buyouts in 2013 and 2014, each office participating in VERA/VSIP submitted a business case identifying and documenting skill needs for all personnel, including grants

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[31]GAO-04-39.

[32]U.S. Environmental Protection Agency, *Request for Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments for the Office of Administration and Resources Management*.

management personnel.[33] According to an agency report on VERA/VSIP, to develop a thorough business case and determine the best course of action for streamlining the workforce through the VERA/VSIP process, each of the participating program and regional offices used a variety of workforce planning methods and strategies.[34] Specifically, each office began by comparing current and future organizational goals with their current workforce demographics data. According to the same report, officials identified skill needs through this analysis. For example, the Office of Administration and Resources Management—where the Office of Grants and Debarment is housed—stated in its business case that the increased complexity of grants work demands a new skill set for grant specialists who carry out policy, training, and compliance functions. This skill set includes expertise in areas such as financial management, auditing, and accounting.

In 2016, the Office of Grants and Debarment conducted a grant specialist workforce review that identified key aspects of grant specialist staffing levels, capabilities, knowledge, and skills through interviews with assistant regional administrators, grants management officers, and regional grant specialists.[35] According to the review, very few grant specialists have access to auditor and accounting support; as we mentioned previously, the Office of Grants and Debarment identified auditing and accounting as new required skill sets for grant specialists. EPA officials we interviewed told us that they are developing an action plan to address key findings from the review, and they provided us with a draft copy of this plan. The draft action plan includes steps that EPA plans to take, as well as time frames, to address grant specialists' capabilities, training, and workload (i.e., number of grants managed per grant specialist). However, it is too early to assess any of these efforts.

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[33]Officials from the Office of Human Resources told us that the VERA/VSIP process took over EPA's workforce planning efforts. The effort required conducting weekly planning meetings with senior staff. According to Office of Human Resources officials, during the first round, 19 out of 23 offices—including all regional offices—participated. During the second round, 2 offices participated.

[34]U.S. Environmental Protection Agency, *Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments Impact Report, Fiscal Year 2014* (April 2015).

[35]U.S. Environmental Protection Agency, *Review of EPA Grants Management Offices (GMO)* (Washington, D.C.: July 2016).

Developing Strategies to Address Skill and Competency Gaps

Leading practice #2: Develop strategies to address skill and competency gaps.

- Once agencies have identified skill and competency gaps, they need to develop human capital strategies—the programs, policies, and processes that agencies use to build and manage their workforces—to close these gaps.
- These strategies may include strategies for hiring, training, and succession planning, among other things.

Source: GAO-04-39. | GAO-17-144

The Office of Grants and Debarment has taken steps to address skill and competency gaps for its grants personnel by, for example, developing training and succession management strategies; we have found that taking steps to address skill and competency gaps is another leading practice of strategic workforce planning.[36] For example, officials from the Office of Grants and Debarment told us they have taken steps to address skill and competency gaps by updating training courses when EPA implements new policies or regulations. In addition, as part of its training strategy, the Office of Grants and Debarment requires that all grants personnel take training before accessing EPA's Integrated Grants Management System. Specifically, project officers and grant specialists must complete a nine-module training course on grants management. This course provides a basic overview of EPA's grants management process, such as authorities, types of assistance, and roles and responsibilities. At the end of the course, grants personnel receive a certificate of completion that is valid for 3 years. Personnel also must complete additional training on EPA's Integrated Grants Management System rules and behavior before they can access the system. Once personnel complete this additional training, they can access the system for 3 years.[37] According to EPA training documents, EPA maintains training certification records and notifies personnel when their certification is near expiration and they need additional training. In addition, some of EPA's regional offices offer additional training beyond the grants management training provided by the Office of Grants and Debarment. For example, officials from 1 regional office told us that they use OPM's *Grants Management Training Agency Guide* to identify current and anticipated skill and competency gaps, and to develop training that addresses these gaps.[38]

EPA officials have also developed succession planning strategies to address anticipated skill and competency gaps among grants management personnel. As we found in September 2003, effective succession planning and management initiatives identify high-performing

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[36]GAO-04-39.

[37]In its 2016 grant specialist workforce review, the Office of Grants and Debarment identified opportunities to improve its grant specialist training. In addition, EPA's 2016-2020 Grants Management Plan includes an objective to meet the training needs and requirements of the grants management workforce. See U.S. Environmental Protection Agency, *Grants Management Plan, 2016-2020*.

[38]Office of Personnel Management, *Grants Management Training Agency Guide* (Washington, D.C.: November 2012).

employees from multiple levels in the organization.[39] As part of this broad approach, the organization identifies, develops, and selects successors who have the right skills, at the right time, for leadership and other key positions. To help support EPA's succession management plans and help senior leaders and management prepare for an anticipated surge of retirements, EPA's Office of Human Resources identified skill and competency gaps in personnel who are interested in pursuing careers as grants management officers.[40] According to EPA's report on this effort, this information about skill and competency gaps is useful to senior leaders when they are considering where best to target developmental resources. For example, as part of the effort, EPA developed a list of training and other resources to help close identified skill and competency gaps and prepare the next generation of grants management officers. In addition, in 2013, officials from the Office of Human Resources worked with officials from the Office of Grants and Debarment to conduct a succession planning effort that focused on two senior executive positions in the Office of Grants and Debarment. According to the report on this effort, the Office of Grants and Debarment appears to have a strong, well-positioned talent pool within the agency for its senior executive positions. This effort also identified financial and technology management skill and competency gaps and offered suggestions on how to close these gaps.[41]

Some EPA regional officials also are undertaking succession management efforts. For example, officials from 1 regional office told us that they routinely identify and plan for future retirements of grant specialists by, among other things, developing standard operating procedures such as mapping exercises that illustrate processes, workflows, and responsibilities, and posting them online to preserve institutional knowledge. Officials from another regional office told us that they provide professional development opportunities for junior staff, such as details—or special duty assignments—to help them advance into more senior grants management roles. Furthermore, officials from 1 regional office told us that its program offices monitor and track anticipated losses and retirements for project officers. When project officers are expected to

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[39]GAO, *Human Capital: Insights for U.S. Agencies from Other Countries' Succession Planning and Management Initiatives,* GAO-03-914 (Washington, D.C.: Sept. 15, 2003).

[40]U.S. Environmental Protection Agency, *Results for Grants Management Officer Initiative* (Washington, D.C.: May 2016).

[41]U.S. Environmental Protection Agency, *OARM Succession Management Beta Results for the Office of Grants and Debarment* (Washington, D.C.: April 2014).

leave or retire, regional officials evaluate how to prevent the loss of skills, with a focus on technical skill sets as opposed to grants management skill sets. The regional officials also said that when they are hiring new project officers, they look for technical personnel who can also do grants work.

Monitoring and Evaluating Progress

Leading practice #3: Monitor and evaluate progress toward human capital goals and programmatic results.

- Performance measures can indicate whether the agency executed its hiring, training, or retention strategies as intended and achieved the goals of these strategies, and how these strategies changed the workforce's skills and competencies.

- Periodic measurement of an agency's progress toward human capital goals and the extent that human capital activities contributed to achieving programmatic goals provides information for effective oversight by identifying performance shortfalls and appropriate corrective actions.

Source: GAO-04-39. | GAO-17-144

EPA has taken steps to monitor and evaluate progress toward human capital goals and programmatic results; we found this effort to be another leading practice of strategic workforce planning.[42] For example, EPA has developed some performance measures for its 2016-2020 Grants Management Plan, which includes a goal of fostering a high-quality grants management workforce. To track its progress toward this goal, as well as toward related objectives, EPA developed performance measures to address satisfaction with training and collaboration.[43] (For a complete list of goals, objectives, and performance measures in EPA's 2016-2020 Grants Management Plan, see app. II). In addition, EPA states in the plan that it will prepare an implementation plan to formally track progress toward achieving the goals outlined in the management plan. As of September 2016, EPA officials we interviewed said that they were working on the implementation plan.

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[42]GAO-04-39.

[43]According to EPA's 2016-2020 Grants Management Plan, EPA will track satisfaction with online training modules based on participant surveys for courses offered in the agency's learning center. In addition, the agency plans to track staff satisfaction with collaboration between headquarters and regional offices, as reported by agency staff, and the availability of an up-to-date roles and responsibilities matrix. The plan also states that the agency will collect input from grants management personnel about existing responsibilities and workload challenges under this goal. U.S. Environmental Protection Agency, *Grants Management Plan, 2016-2020*.

EPA Has Not Identified Project Officer Critical Skills and Competencies or Monitored and Evaluated Recruitment and Retention Efforts for Grant Specialists

While EPA has taken some steps to follow three leading practices of strategic workforce planning in managing its grants workforce, the agency has not identified project officer critical skills and competencies or monitored and evaluated its recruitment and retention efforts for grant specialists.

Identifying and Addressing Project Officer Critical Skills and Competencies

The Office of Grants and Debarment has not conducted a comprehensive review of project officer critical skills and competencies similar to the one it conducted for grant specialists; this is contrary to leading practices of strategic workforce planning. The Office of Grants and Debarment's 2016 grant specialist workforce review concluded that project officer responsibilities have expanded greatly in the past 10 years as a result of new policies. However, officials from the Office of Grants and Debarment told us that because of competing priorities, they have not conducted a comprehensive review of project officers similar to the one they conducted for grant specialists. More specifically, officials said that the agency determined that its top priority should be conducting a review of grant specialists because of high turnover among grant specialists. At the same time, these officials said that conducting a review of project officers would be helpful.

In December 2003, we found that identifying critical skills and competencies needed to achieve current and future programmatic results, and developing strategies—such as training—to address skill and competency gaps are leading practices of strategic workforce planning.[44] In addition, in EPA's 2016-2020 Grants Management Plan, the agency has an objective to provide training that meets the needs and requirements of its grants management workforce.[45] However, officials from 1 regional office told us that the training offered by the Office of Grants and Debarment is broad and does not address program-specific issues, such as how to implement new air or water quality requirements. For example, according to the 2016 grant specialist workforce review conducted by the Office of Grants and Debarment, there are more than 100 separate EPA grant programs with specific regulatory, policy, and

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[44]GAO-04-39.

[45]U.S. Environmental Protection Agency, *Grants Management Plan, 2016-2020.*

program requirements. According to these regional officials, the most consistent feedback they receive from personnel is that program-specific training for project officers that explains how relevant rules apply to their work could significantly improve their capabilities. In addition, officials from another regional office told us that they rely on the Office of Grants and Debarment for project officer training because program managers do not have the time to manage project officer training needs. Reviewing project officer critical skills and competencies and determining training needs to address any skill and competency gaps could help ensure EPA has the people with the right skills to meet the goals of its 2016-2020 Grants Management Plan.

Officials we interviewed from 3 of EPA's 10 regional offices told us that, in addition to identifying critical skills and competencies, reviewing project officer functions, such as roles and responsibilities, would also be helpful. Officials from 2 of these regional offices agreed that doing so would help clarify the role of grant specialists compared to project officers. In addition, officials from 1 regional office told us that some project officers—who are not as familiar with the rules, policies, and procedures for managing grants—rely on grant specialists for their expertise. According to a 2015 project officer workforce review conducted by the Office of Grants and Debarment, such reliance places a recognizable burden on regional grants management offices and the grant specialists who work in these offices. EPA's 2016-2020 Grants Management Plan has an objective to define roles and responsibilities, including for grant specialists and project officers.[46] Specifically, under the plan's goal to foster a high-quality grants management workforce, EPA states that starting in 2017, the agency will annually update a roles and responsibilities matrix by, among other things, collecting input from project officers, grant specialists, and other grants management staff about existing responsibilities and workload challenges.

Monitoring and Evaluating Efforts

As mentioned previously, EPA's 2016-2020 Grants Management Plan contains a goal of fostering a high-quality grants management workforce. However, the plan does not include performance measures to monitor and evaluate EPA's recruitment and retention efforts or show how such efforts contribute toward human capital goals and programmatic results. For example, related to monitoring and evaluating the agency's recruitment efforts, the agency has no performance measures to track

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[46]U.S. Environmental Protection Agency, *Grants Management Plan, 2016-2020*.

manager satisfaction with newly hired grant specialists, even though tracking this information could help EPA identify the quality and quantity of applicants from particular recruitment sources, such as job fairs and USAJobs.[47] According to OPM's Talent Management System, senior leaders and managers should participate in the planning and evaluation of recruitment strategies, and agencies should evaluate their recruitment activities to assess factors such as the quality and quantity of applicants.[48]

In addition, EPA's 2016-2020 Grants Management Plan does not contain any performance measures to monitor retention. For example, there are no performance measures to track the loss rate of new hires that are grant specialists. However, according to officials from the Office of Grants and Debarment and agency documents, EPA faces challenges recruiting and retaining strong grant specialists. According to a 2016 review of EPA's grants management offices, some EPA offices have recruited and trained grant specialists with much stronger skill sets than those in previous years, but these offices have been unable to retain those grant specialists beyond a 3- to 5-year period primarily due to limited promotion opportunities. In addition, officials from the Office of Grants and Debarment and some regional offices told us that retaining grant specialists is a challenge because of their limited General Schedule (GS) career ladder.[49] Most grant specialists are in a career ladder that reaches

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[47]In 2008 OPM and the Chief Human Capital Officers Council developed a manager satisfaction survey to measure manager satisfaction with the job announcement, applicant quality and quantity, and hiring flexibilities available to obtain the candidate of choice. However, an EPA official from the Office of Human Resources told us that the information gathered through this survey is at the aggregate level and not at the level needed for measuring satisfaction with the quantity and quality of grants management hires. See: https://www.chcoc.gov/content/chief-human-capital-officers-council-applicant-and-management-satisfaction-survey

[48]According to OPM' Talent Management System, recruitment and retention are two critical success factors that work together to ensure agencies have people with the right skills, knowledge, and competencies of employees of mission-critical occupations in the current and future workforce. See: https://www.opm.gov/policy-data-oversight/human-capital-management/talent-management/#url=Recruitment

[49]The General Schedule (GS) system is the federal government's classification system for defining and organizing federal positions. The GS system is statutorily defined by a 15-grade level system. The GS classification system establishes a road map for employees and determines how far they may advance in the same position as long as their performance is satisfactory. Individual occupations may have their own career ladders or a set of number of grades of potential advancement. See: GAO, *Human Capital: OPM Needs to Improve the Design, Management, and Oversight of the Federal Classification System,* GAO-14-677 (Washington, D.C.: July 31, 2014).

the GS-12 level.[50] In contrast, the career ladder for project officers generally reaches the GS-13 level. These officials stated that many grant specialists either leave the agency or apply for project officer positions once they reach the GS-12 level. Officials told us that when the Office of Grants and Debarment is not able to retain its grant specialists, the office has to hire and train new ones, which can take a long time and may result in inefficiencies. According to officials from the Office of Grants and Debarment, such inefficiencies may arise because it can take months to determine whether to fill a position when someone leaves the agency, in addition to months to recruit and hire a new grant specialist and up to 2 years for the grant specialist to become trained and capable of handling a full grants workload.

As we stated in December 2003, performance measures can indicate (1) whether the agency executed its hiring, training, or retention strategies for its grants personnel as intended, (2) whether the agency achieved its goals through these strategies, and (3) how these strategies changed the workforce's skills and competencies.[51] In addition, collecting performance data on such measures can provide information for effective oversight, which in turn can help identify performance shortfalls and appropriate corrective actions. Moreover, the Government Performance and Results Act of 1993 (GPRA), as significantly enhanced by the GPRA Modernization Act of 2010, requires agencies to use performance data to drive decision making[52] by developing performance measures for their goals, assessing progress toward these goals, and planning corrective actions when goals are not met. We have previously reported that requirements under these acts, such as developing performance measures, can also serve as leading practices for planning at lower levels of the agency.[53]

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[50]In 2012, the Office of Grants and Debarment proposed making a request to change the grant specialist career ladder to a GS-13. According to officials from the Office of Grants and Debarment, the request was not finalized due to sequestration as well as the recognition that the career ladder issue needed to be considered more broadly for administrative functions in general.

[51]GAO-04-39.

[52]Pub. L. No. 103-62, 107 Stat. 285 (Aug. 3, 1993) and Pub. L. No. 111-352, 124 Stat. 3866 (Jan. 4, 2011).

[53]GAO, *Environmental Justice: EPA Needs to Take Additional Actions to Help Ensure Effective Implementation*, GAO-12-77 (Washington, D.C.: Oct. 6, 2011).

There are other potentially helpful performance measures for grant specialists. For example, based on the results of the 2016 grant specialist workforce review conducted by the Office of Grants and Debarment, it can take a new grant specialist up to 2 years to become fully capable of handling a full grants workload. Collecting information and tracking the percentage of the grant specialist workforce who have less than 2 years of experience managing grants could provide information about the level of resources the Office of Grants and Debarment has available to handle its grants workload. In addition, as we mentioned previously, EPA has faced challenges recruiting and retaining personnel in grant specialist positions because of their limited career ladder to the GS-12, compared to project officers, whose career ladder generally reaches the GS-13. Tracking the percentage of grant specialists who have reached their career ladder ceiling could help the Office of Grants and Debarment monitor potential departures.

Officials from the Office of Grants and Debarment told us that they developed the performance measures in the 2016-2020 Grants Management Plan based on stakeholder feedback and needs. They also told us that they did not include performance measures in their plan related to recruitment or retention because they believed at the time that the Office of Human Resources was responsible for doing so. However, in a subsequent meeting, officials from the Office of Grants and Debarment told us that they discussed developing these measures with officials from the Office of Human Resources, and they ultimately decided that the Office of Grants and Debarment should be responsible for developing these measures. By developing performance measures to track the effectiveness of its recruitment and retention efforts for grant specialists and by collecting performance data for these measures, EPA could enhance its ability to identify both performance shortfalls as well as appropriate corrective actions.

Conclusions

To help achieve its mission of protecting human health and the environment, EPA manages a significant grants portfolio that accounts for almost half of the agency's budget. EPA's ability to manage this portfolio depends primarily on grant specialists and project officers, but the agency does not have the information it may need to allocate grants management resources in an effective and efficient manner. For example, because EPA does not have a process for regional and national program offices to consistently collect and analyze information about project officer FTEs, the agency cannot know the level of resources used to manage the agency's sizeable $3.9 billion grants portfolio. By developing a

documented process for regional and national program offices to collect and analyze data about project officer FTEs, EPA could have better assurance that its offices consistently collect information on project officers and that the agency and its offices are better positioned to assess and, as appropriate, restructure or resize FTE levels to meet the agency's significant grant-making responsibilities. In addition, although EPA issued a draft revised Funds Control Manual that describes several tools that the agency's regional and national program offices can use to conduct workload analysis, the manual does not discuss a process for how these offices should obtain workload data for analysis. Without a documented process for consistently obtaining workload data for grants management personnel across regional and national program offices, EPA will not be able to track how workloads may have changed or be well positioned to make personnel adjustments as needed. Furthermore, EPA does not have a documented process for consistently allocating FTEs to grants management positions in regional and national program offices based on analyses of workload data. Without documenting a process for how regional and national program offices should use analyses of workload data and project officer FTEs to inform FTE allocations, EPA may not have assurance that the agency is allocating grants management resources effectively and efficiently.

In addition, while the agency partially follows leading practices of strategic workforce planning, it has not identified project officer critical skills and competencies or developed strategies, such as training, to address project officer skill and competency gaps. The responsibilities of project officers have expanded greatly in the past 10 years. Reviewing project officers' critical skills and competencies and determining their training needs to address any skill and competency gaps could help ensure that EPA has people with the right skills to meet the goals of its 2016-2020 Grants Management Plan. In addition, the plan does not contain any performance measures to monitor or evaluate EPA's recruitment and retention efforts for its grants personnel or show how these efforts contribute toward human capital goals and programmatic results. EPA also does not collect performance data on such measures. By developing performance measures to track the effectiveness of its recruitment and retention efforts for grant specialists and by collecting performance data for these measures, EPA could enhance its ability to identify both performance shortfalls and appropriate corrective actions.

Recommendations for Executive Action

We are making five recommendations to the Administrator of the U.S. Environmental Protection Agency.

To help the agency make strategic decisions about how to prioritize and efficiently use available personnel, we recommend that the Administrator, recognizing the agency's limited resources, direct the Assistant Administrator for the Office of Administration and Resources Management to:

- Develop a documented process that can be consistently applied by regional and national program offices to collect and analyze data on project officer FTEs.
- Develop a documented process that can be consistently applied by regional and national program offices to collect and analyze data on grants management workloads.
- Develop a documented process that can be consistently applied by regional and national program offices to use project officer FTE and workload data to inform FTE allocations.

To help ensure that EPA has people with the right skills to meet the goals of its 2016-2020 Grants Management Plan, we recommend that the Administrator direct the Assistant Administrator for the Office of Administration and Resources Management and regional and national program offices, as appropriate, to review project officer critical skills and competencies and determine training needs to address any gaps.

To enhance EPA's ability to identify performance shortfalls and appropriate corrective actions, we recommend that the Administrator direct the Assistant Administrator for the Office of Administration and Resources Management to develop performance measures to track the effectiveness of the recruitment and retention efforts for grant specialists and collect performance data for these measures.

Agency Comments and Our Evaluation

We provided a draft of this report to EPA for review and comment. In its written comments, reproduced in appendix III, EPA agreed with our findings, conclusions, and four of our recommendations. EPA partially agreed with the fifth recommendation.

EPA agreed with our first three recommendations that the agency develop documented processes that can be consistently applied by regional and national program offices to: (1) collect and analyze data on project officer FTEs; (2) collect and analyze data on grants management

workloads; and (3) use project officer FTE and workload data to inform FTE allocations. To address these recommendations, the agency indicated that it would develop and disseminate a survey to collect information on project officer FTEs and workload starting in fiscal year 2017. In addition, EPA stated that in fiscal year 2018 it would evaluate these survey results and establish a process to use these data to influence future budget cycles, beginning with the fiscal year 2020 budget.

EPA agreed with our fourth recommendation that the agency review project officer critical skills and competencies and determine training needs to address any gaps. To address this recommendation, the agency said that starting in fiscal year 2017 it would develop an appropriate project officer survey tool. EPA also stated that—based on survey results—it would begin enhancing its project officer training program in fiscal year 2018, and continue these efforts in subsequent years.

EPA partially agreed with our fifth recommendation that the agency develop performance measures to track the effectiveness of recruitment and retention efforts for grants management personnel and collect performance data for these measures. The agency agreed with the recommendation as it pertains to grant specialists and stated that it would formalize a process for collecting information about recruitment and retention of grant specialists and develop performance measures related to the recruitment and retention of grant specialists. The agency disagreed with the recommendation as it pertains to project officers. EPA stated that, since grants management is typically a collateral duty for project officers, developing recruitment and retention performance measures for project officers would have limited value because factors other than grants management may be the primary drivers affecting project officer recruitment and retention. In addition, EPA stated that it would be difficult to maintain information on project officer recruitment and retention in EPA's human resources data system because project officers do not have a unique job series designation. To address EPA's comments, we clarified the language of the recommendation to focus on grants specialists.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Administrator of the Environmental Protection Agency, and other interested parties. In

addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff members have any questions about this report, please contact me at (202) 512-3841 or gomezj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members who made major contributions to this report are listed in appendix IV.

J. Alfredo Gómez
Director, Natural Resources and Environment

Appendix I: Objectives, Scope, and Methodology

In this report, we examine (1) how staffing levels and workloads changed for the U.S. Environmental Agency's (EPA) grants management personnel during fiscal years 2006 through 2015 and (2) the extent to which EPA follows leading practices of strategic workforce planning in managing its grants workforce.

To examine how staffing levels and workloads changed for EPA's grants management personnel during fiscal years 2006 through 2015, we analyzed data from EPA's Integrated Grants Management System for those years. EPA officials described grant specialists and project officers as the two key positions within EPA's grants workforce. Therefore, the term "grants management personnel" refers to grant specialists and project officers. As the agency's grants tracking system, the Integrated Grants Management System contains information about grant-related transactions. We assessed the reliability of the most current data by (1) reviewing relevant EPA policies and procedures about the system, as well as control and training documents; (2) meeting with relevant agency officials to discuss the system's data reliability measures; and (3) conducting electronic data testing for missing data, outliers, and obvious errors. We determined that the data were sufficiently reliable for the purposes of our reporting objectives. We also reviewed EPA documents, such as a summary of new grants management policies and requirements,[1] draft findings from EPA's 2015 project officer workforce review,[2] and the agency's draft Funds Control Manual,[3] which includes guidance on workload analysis. In addition, we reviewed federal guidance, such as *Standards for Internal Control in the Federal Government*,[4] and prior GAO and EPA IG reports that are relevant to this review. To identify relevant reports, we searched GAO and EPA IG online databases for reports using key words such as "grants management" and "strategic workforce planning." We reviewed in depth the reports that address strategic workforce planning efforts across the agency, and

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[1]U.S. Environmental Protection Agency, *Policy Requirements Since 2005,* n.d.

[2]U.S. Environmental Protection Agency, *Draft Findings and Analysis: Project Officer Workforce Review* (May 2015).

[3]U.S. Environmental Protection Agency, *Draft Funds Control Manual: Administrative Control of Funds (Resource Management Directive System 2520),* n.d.

[4]GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999). GAO has revised and reissued Standards for Internal Control in the Federal Government, with the new revision effective as of October 1, 2015. See GAO-14-704G (Washington, D.C.: September 2014).

strategic workforce planning efforts related specifically to the agency's
grants management workforce.

Between March 2016 and May 2016, we also interviewed officials from all
10 EPA regional offices and 3 of EPA's 10 national program offices in
Washington, D.C., that manage grants: Office of Water, Office of Land
and Emergency Management, and Office of Research and Development.
We selected 3 based on the size of their grants portfolios and
workforces—namely, the number of grants managed per office, the value
of grant dollars managed per office, and the number of grant specialists
and project officers assigned to each office. The selected national
program offices represent a small office, a medium office, and a large
office, according to the factors described above. Because this was a
nonprobability sample of national program offices, the information we
obtained in these interviews cannot be generalized to all EPA national
program offices.[5] The information we collected from national program
offices provides illustrative examples of how staffing levels and workloads
changed during fiscal years 2006 through 2015. To guide our discussions
with the regional offices and selected national program offices, we
developed a semistructured interview guide that included questions about
staffing levels and workload, strategic workforce planning, and
challenges.[6] We pre-tested this guide with officials from the Office of
Grants and Debarment and the regional office for Region 6 and adjusted
the guide based on feedback from interviewees. We supplemented the
information we collected from regional and national program offices with
information from interviews with officials from EPA's Office of Human
Resources, Office of Budget, and Office of Grants and Debarment. For
example, we interviewed officials from the Office of Budget to learn about
EPA's budget development process and workload analysis efforts. For
additional perspectives on issues related to grants management staffing
levels and workloads, we interviewed members of the National Grants
Management Association and Environmental Council of the States.

To examine the extent to which EPA follows leading practices of strategic
workforce planning in managing its grants workforce, we identified three

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[5]Officials from the National Center for Environmental Research (NCER) within the Office
of Research and Development noted that NCER is responsible for managing most of the
office's research grants. The interviewees we met with were able to discuss the office's
grants management work.

[6]One regional office and one national program office provided written responses to some
questions due to time limitations.

leading practices of strategic workforce planning from GAO's *Key
Principles for Effective Strategic Workforce Planning*.[7] These practices
are (1) identifying critical skills and competencies needed to achieve
current and future programmatic results, (2) developing strategies to
address skill and competency gaps, and (3) monitoring and evaluating
progress toward human capital goals and programmatic results. To
identify these practices, we consulted with internal stakeholders
knowledgeable about human capital and strategic workforce planning. In
addition, we conducted a literature search using databases such as
ProQuest and key phrases such as "best practices for workforce
planning," "leading practices for succession planning," and "leading
practices for grants management workforce." We also searched for
relevant studies from sources such as the National Academy of Public
Administration.[8] We reviewed related GAO reports and OPM guidance on
strategic workforce planning and focused on the three leading practices
that we judged most relevant to EPA's grants management staff. To learn
about EPA's strategic workforce planning efforts for its grants workforce,
we reviewed agency documents such as EPA's *Grants Management
Plan, 2016-2020*; EPA's *Request for Voluntary Early Retirement Authority
and Voluntary Separation Incentive Payments (VERA/VSIP) for the Office
of Administration and Resources Management*; and EPA's *Results for
Grants Management Officer Initiative*.[9] In addition, we interviewed officials
from the Office of Grants and Debarment, all 10 regional offices and the 3
selected national program offices using our semistructured interview
guide, which included questions about strategic workforce planning and
related challenges. We also interviewed officials from the Office of Human
Resources to learn about agency-wide workforce planning efforts such as
VERA/VSIP. For additional perspectives on issues related to EPA's
grants management workforce, we interviewed members from the
National Grants Management Association and Environmental Council of

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[7]GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*,
GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

[8]The National Academy of Public Administration is an independent, non-profit, and non-
partisan organization established in 1967 and chartered by Congress in 1984. It provides
expert advice to government leaders in building more effective, efficient, accountable, and
transparent organizations.

[9]U.S. Environmental Protection Agency, *Grants Management Plan, 2016-2020*
(Washington, D.C.: February 2016); *Request for Voluntary Early Retirement Authority and
Voluntary Separation Incentive Payments for the Office of Administration and Resources
Management* (Washington, D.C.: Oct. 28, 2014); and *Results for Grants Management
Officer Initiative* (Washington, D.C.: May 2016).

the States. Using information obtained from these sources about EPA's
efforts to manage its grants workforce, we compared these efforts to the
three leading practices we identified from GAO's *Key Principles for
Effective Strategic Workforce Planning*.[10]

We conducted this performance audit from November 2015 to January
2017 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.

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[10]GAO-04-39.

Appendix II: Goals, Objectives, and Performance Measures in EPA's 2016-2020 Grants Management Plan

Table 2 shows the goals, objectives, and performance measures in the U.S. Environmental Agency's (EPA) 2016-2020 Grants Management Plan.

Table 2: U.S. Environmental Protection Agency (EPA) Goals, Objectives, and Performance Measures in Its 2016-2020 Grants Management Plan

Goal	Objective	Performance measures
Maintain Effective Grants Management Policies	• Develop a comprehensive grants management framework to govern the development, issuance, implementation, and review of orders, policies, and guidance. • Establish a formal process for reviewing policies. • Review existing policies against the new framework. • Ensure policy-making is transparent and inclusive of stakeholders.	• Percentage of existing policies assessed against comprehensive grants management framework. • Number of policies or internal controls on the priority list evaluated for effectiveness using the comprehensive grants management framework (2 policies or internal controls added to the priority list each year).
Streamline Grants Management Procedures	• Apply best practices for grants management at national level. • Minimize burdens on grants management staff. • Ensure accurate grants management data are available and readily accessible to grants management staff.	• Increased awareness of and satisfaction with grants management data and web-based tools, as reported by agency staff. • Percentage of all grants awarded within 60 days of receipt of final funding package. • Percentage of grants that expired in fiscal years before the previous fiscal year and are closed out. • Percentage of major grant programs that develop standard funding recommendation templates for grant awards.
Foster a High-Quality Grants Management Workforce	• Provide training that meets the needs and requirements of grants management workforce. • Provide guidance on roles and responsibilities of agency personnel to strengthen oversight and ensure accountability. • Improve coordination between headquarters and regional offices on new requirements and training needs. • Strengthen recognition programs for the grants management workforce.	• Increase in satisfaction with online training modules based on participant surveys for courses offered in the agency's learning management system. • Availability of up-to-date roles and responsibilities matrix. • Increase in satisfaction with collaboration between headquarters and regional offices, as reported by agency staff.

Goal	Objective	Performance measures
Ensure Transparency and Accountability and Demonstrate Results	• Provide to the public timely and accurate information about EPA grant programs (ongoing). • Integrate partner and public viewpoints into grants management policies and requirements (ongoing). • Improve post-award monitoring procedures to ensure that recipients comply with grants management requirements (ongoing). • Strengthen accountability in regional and headquarters offices by improving the management effectiveness review process (ongoing). • Demonstrate environmental results achieved through EPA grant programs (ongoing). • Enhance training for grant applicants and recipients (ongoing).	• Perform management effectiveness reviews of grants management offices. • Percentage of awards for which the place of performance is identified in EPA's GeoGrants application. • Competitively award at least 90 percent of the dollars or 90 percent of new awards subject to the competition policy. • Percentage of awards/recipients subject to EPA Order 5700.6A2 receiving programmatic and administrative baseline monitoring. • Percentage of awards/recipients receiving advanced programmatic monitoring. • Publish a standard operating procedure for advanced administrative monitoring.
Evaluate Grants Management Performance	• Ensure the grants management policy framework (developed under Goal 1) addresses evolving priorities (ongoing). • Maximize grants management system to improve and measure performance (ongoing). • Track progress as a part of the agency's annual priority planning process for grants management (ongoing).	• Number of policies or internal controls added to the priority list to be evaluated for effectiveness. • Percentage of Tier 1 milestones and performance targets met.

Source: EPA's 2016-2020 Grants Management Plan. | GAO-17-144

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC - 7 2016

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

Mr. Alfredo J. Gomez
Director
Natural Resources and Environment
U.S. Government Accountability Office
Washington DC 20548

Dear Mr. Gomez:

Thank you for the opportunity to comment on the Government Accountability Office's draft report GAO-17-144, *GRANTS MANAGEMENT: EPA Partially Follows Leading Practices of Strategic Workforce Planning and Could Take Additional Steps.*

The draft report addresses: 1) how staffing levels and workloads changed for the U.S. Environmental Protection Agency's grants management personnel during fiscal years 2006 through 2015; and 2) the extent to which the EPA follows leading practices of strategic workforce planning in managing its grants workforce. This letter provides the EPA's response to the draft report's findings, conclusions and recommendations.

At the outset, we commend your staff for conducting this review in a professional and thoughtful manner. We are pleased that the draft report acknowledges the agency's efforts to use workload data to streamline grants business processes. We also appreciate the draft report's findings that the agency has taken a number of steps to identify critical skills and competencies for grants specialists, develop strategies to address skill and competency gaps, and measure progress toward human capital goals and programmatic results.

The EPA agrees with the findings and conclusions in the draft report, namely that there are opportunities to improve grants workload data processes, workforce planning for project officers, and the evaluation of recruitment and retention efforts for grant specialists. The EPA agrees with all of the GAO's recommendations except one.

GAO Recommendations

Recommendations 1, 2 & 3 —— *To help the agency make strategic decisions about how to prioritize and efficiently use available personnel, we recommend that the Administrator, recognizing the*

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*agency's limited resources, direct the Assistant Administrator for the Office of Administration and
Resources Management to:*

- *Develop a documented process that can be consistently applied by regional and national
  program offices to collect and analyze data on project officer FTEs.*
- *Develop a documented process that can be consistently applied by regional and national
  program offices to collect and analyze data on grants management workloads.*
- *Develop a documented process that can be consistently applied by regional and national
  program offices to use project officer FTE and workload data to inform FTE allocations.*

The EPA agrees with these recommendations and will initiate implementation in FY 2017 by developing
and issuing an appropriate survey tool to collect relevant information on project officer FTE and
workload. The agency will evaluate the survey results in FY 2018 and establish a formal process to
influence out-year budget cycles, beginning with the FY 2020 budget.

Recommendation 4 —*To help ensure that the EPA has people with the right skills to meet the goals
of its 2016-2020 Grants Management Plan, we recommend that the Administrator direct the Assistant
Administrator for the Office of Administration and Resources Management and regional and
national program offices, as appropriate, to review project officer critical skills and competencies and
determine training needs to address any gaps.*

The EPA agrees with this recommendation and will initiate implementation in FY 2017 by developing
and issuing an appropriate project officer survey tool. Based on the survey results, the EPA will begin
making enhancements to its PO training program in FY 2018, and continue those efforts in subsequent
fiscal years consistent with goal 3 of the agency's 2016-2020 Grants Management Plan.

Recommendation 5—*To enhance EPA's ability to identify performance shortfalls and appropriate
corrective actions, we recommend that the Administrator direct the Assistant Administrator for the
Office of Administration and Resources Management to develop performance measures to track the
effectiveness of the recruitment and retention efforts for grants management personnel and collect
performance data for those measures.*

The EPA agrees with this recommendation as it pertains to grants specialists. Through data calls, the
Office of Grants and Debarment has been collecting information on GS recruitment and retention for the
past several years. In FY 2017, the OGD will formalize this process, with support from the agency's
human resources data system. In FY 2018, the agency will issue performance measures related to GS
recruitment and retention.

The EPA disagrees with this recommendation as it pertains to project officers. Given that grants
management is typically a collateral PO duty, the agency believes that developing recruitment and
retention performance measures for POs would have limited value since factors other than grants
management may be the primary drivers affecting PO recruitment and retention. Further, it would be

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difficult to maintain information on PO recruitment and retention in the agency's human resources data system, because as noted in the report, POs do not have a unique job series designation.

Again, thank you for the opportunity to provide comments on the draft report and for the professionalism of your staff in conducting the review. If you should have any questions, please contact Denise Polk, director, Office of Grants and Debarment, at polk.denise@epa.gov or at (202) 564-5306.

Sincerely,

Donna J. Vizian
Principal Deputy Assistant Administrator

cc: EPA GAO Liaison Team
    Assistant Administrators
    Regional Administrators
    General Counsel
    Deputy Assistant Administrators
    Deputy Regional Administrators
    Senior Resource Officials
    Inspector General
    Marian Cooper
    Denise Polk
    Mike Osinksi
    Laurice Jones
    Wayne Anthofer
    Roch Baamonde
    Grants Management Officers
    Junior Resource Officials

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Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact	J. Alfredo Gómez, (202) 512-3841 or gomezj@gao.gov
Staff Acknowledgments	In addition to the individual named above, Barbara Patterson (Assistant Director), Amy Bowser, Megan Darnley, Mary Koenen, Ben Licht, Ying Long, Steven Lozano, Celia Rosario Mendive, Cynthia Norris, Monica Savoy, Sara Sullivan, and Vasiliki Theodoropoulos made key contributions to this report.