The Consolidated Appropriations Act, 2022 appropriated $392.2 million to the Department of Education for 473 projects at the request of Members of Congress. The act includes specific provisions that designate an amount of funds for a particular recipient, such as a nonprofit organization or a local government, to use for a specific project. These provisions are called “Congressionally Directed Spending” in the U.S. Senate and “Community Project Funding” in the House of Representatives. Members of Congress had to meet certain requirements under Senate and House rules in order to have their requests included as provisions in the act. Such requirements included that Members post requests online and certify that they had no financial interest in the projects. The House also required Members to demonstrate community support for requests.

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

### What are the intended uses of these funds?

The $392.2 million is intended to support a variety of educational efforts from early childhood programs to higher education.

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

<table>
<thead>
<tr>
<th>Budget account</th>
<th>Number of fiscal year 2022 provisions</th>
<th>Percentage of budget account designated for fiscal year 2022 provisions</th>
<th>Examples of projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education</td>
<td>214</td>
<td>8%</td>
<td>Support for educational, vocational, and professional programs, including equipment and technology upgrades</td>
</tr>
<tr>
<td>Innovation and Improvement</td>
<td>256</td>
<td>12%</td>
<td>In-school and out-of-school programs, including early childhood, arts, literacy, science, technology, engineering, and mathematics</td>
</tr>
<tr>
<td>Rehabilitation Services and Disability Research</td>
<td>3</td>
<td>0.1%</td>
<td>Programs for individuals with disabilities such as pre-employment transition services and Special Olympics</td>
</tr>
</tbody>
</table>

Source: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the Department of Education. | GAO-22-105909

*Based on total amount appropriated for each of the budget accounts for fiscal year 2022.

### Who are the designated recipients?

For these 473 projects, the most common types of designated recipients are higher education organizations (51 percent), including public and nonprofit colleges and universities, and other nonprofit organizations (38 percent). The remaining projects have state and local governments (11 percent), including school districts, as the designated recipients.

### Key Observations

- According to Education officials, although some designated recipients have previously received federal assistance from Education, many have not—including more than half of the designated recipients that are not higher...
education organizations. Such designated recipients include many nonprofit organizations.

- Funding amounts for projects range from $14,000 for a childhood literacy program in Minnesota to $50 million for a science and engineering endowment fund at a public university in Alabama. The large majority of projects (93 percent) are designated to receive between $100,000 and $5 million.

- Of states with funding totaling more than $15 million, California has the greatest number of projects (48), followed by New York (27), Georgia (17), Michigan (17), Missouri (nine), and Alabama (two).

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

Two offices within Education have primary responsibility for identifying, distributing, and monitoring these funds: the Office of Elementary and Secondary Education and the Office of Postsecondary Education. According to Education officials, the Office of Special Education Programs and the Office of Career, Technical, and Adult Education will also monitor designated recipients that support K-12 schools, with the Office of Elementary and Secondary Education providing staff support to both of these offices. To coordinate these activities, the Office of Elementary and Secondary Education formed a workgroup with the Office of Postsecondary Education, the Office of General Counsel, and other Education offices with relevant areas of expertise. For example, officials from Education’s Office of Special Education and Rehabilitative Services will participate in the workgroup and assist with monitoring the funds for designated recipients that support educating children with disabilities and rehabilitating youth and adults with disabilities.

Education officials told us that because the funds will be awarded as direct grants, they are following existing agency regulations for administering discretionary grants, as they are applicable to these funds. Specifically:

- Consistent with 34 C.F.R. § 75.102(b), Education is requiring recipients to submit an application that meets applicable requirements and is otherwise approvable before receiving access to the funds.

- Education also plans to conduct “entity risk reviews” of the designated recipients. These will include administrative, financial, and performance reviews that can help prevent fraud, waste, or abuse. Education officials said one of the systems they plan to check is the System for Award Management—through which entities must register to receive federal funds—to confirm that...
these recipients have not been excluded from receiving federal funds, and that the officials may conduct Congressional outreach to discuss any designated recipients that were identified in exclusion records. Officials said these reviews will also help Education determine the type of monitoring and oversight the agency should conduct after recipients receive these funds. For example, if Education deems a designated recipient high risk after considering prior audit findings or other performance information, the agency may add specific conditions to the grant, such as additional oversight and monitoring activities or conduct additional training related to internal controls and grant management responsibilities after a designated recipient receives these funds.

Education officials told us they would take the following steps to ensure these funds are spent properly:

- Requiring designated recipients to provide spending plans—including their anticipated use of subgrants and contracts—as a part of their applications;
- Monitoring all of the designated recipients’ drawdowns;
- Having regular conversations with designated recipients to discuss key issues based on each recipient’s risk level;
- Discussing and reviewing internal controls with designated recipients during each project period; and
- Requiring that designated recipients with multi-year projects submit annual and final performance reports.

Education officials said they did not anticipate any exemptions to existing internal control requirements or additional requirements regarding the use of these funds beyond those already in place for discretionary grant programs. Existing internal control requirements include having a payment approval process that helps mitigate the risk of improper payments. The Education Office of Inspector General may also decide to review these funds as part of its oversight responsibilities.

Education officials told us they plan to obligate these funds to recipients by September 30, 2022, and have developed two timelines for doing so: one for the Office of Elementary and Secondary Education and one for the Office of Postsecondary Education.

- Office of Elementary and Secondary Education officials said that while they originally planned to begin obligating funds in June 2022, they did not do so until August 2022. Projects may start as soon as designated recipients receive the funds. Generally, designated recipients have 12 months from the project start date to complete their projects. However, designated recipients may be allowed additional time to complete their projects if they provide sufficient justification for the proposed length of project completion in their applications, and Education agrees.

- Office of Postsecondary Education officials said they would obligate all funds by September 30, 2022, but may do so in two batches because of delays in receiving applications from some designated recipients. Designated recipients that receive funds through the Office of Postsecondary Education will have until August 30, 2025, to complete their projects.

Education has until the end of fiscal year 2027 to fully disburse the funds appropriated in the Consolidated Appropriations Act, 2022 to the recipients (see figure below). However, Education officials also said they expect designated recipients will complete their projects well before September 30, 2027. For more information on the time availability of these funds, see GAO-22-105467.
According to Education officials, first-time grantees might be unfamiliar with the federal grant application process and may need additional guidance. Education has provided webinars, application guidance, and other materials to assist these designated recipients. Education officials also said they would identify any resources related to the content areas of designated recipients’ projects.

Education officials said that designated recipients had anticipated receiving these funds by the end of January 2022, but Education could not distribute the funds until it received an appropriation. The Consolidated Appropriations Act, 2022 was enacted on March 15, 2022. As detailed above, prior to the awarding of a grant, Education plans to follow internal processes and guidance for administering discretionary grants in order to determine that recipients are ready to receive and use the funds. Consequently, in May 2022, officials said designated recipients that wished to use their funds to support projects in summer 2022 might face challenges accessing the funding quickly enough to do so.

To assist these recipients, Education officials stated that, consistent with the Office of Management and Budget’s *Uniform Administrative Requirements, Cost, Principles, and Audit Requirements for Federal Awards*, regarding pre-award costs, the agency might allow a designated recipient to reimburse itself for certain approved costs incurred prior to being awarded these funds. Officials also stated the agency would try to be flexible with project periods if designated recipients need more than 12 months to complete their projects.

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

We provided a draft of this report to Education for review and comment. Education provided technical comments, which we incorporated as appropriate.
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We conducted this performance audit from April 2022 to September 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.


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