U.S. Government Accountability Office

Inflation Reduction Act: EPA's Use and Oversight of $11.5 Billion in Appropriations

GAO-26-108084
Q&A Report to Congressional Requesters
July 31, 2026

Why This Matters

The Inflation Reduction Act of 2022 (IRA) provided about $41.5 billion in supplemental appropriations to the U.S. Environmental Protection Agency (EPA) for grants and other investments to reduce air pollution and enhance climate resilience across the nation. The appropriations constitute a significant increase in funds available to EPA. For fiscal years 2016 to 2025, EPA's average annual appropriations—that is, not including any supplemental appropriations—have been about $9 billion.

From fiscal years 2023 to early 2025, EPA primarily used the supplemental IRA funds to create several new grant programs and award hundreds of grants. Since then, EPA terminated grants funded by $30 billion in IRA appropriations. According to EPA, the agency terminated the grants for several reasons, such as changed agency priorities, aligning programs with congressional intent, and correcting deficiencies in the review and selection processes used to award grants. Specifically, EPA terminated the grants awarded under the IRA's $27 billion appropriation for the Greenhouse Gas Reduction Fund and under the IRA's $3 billion appropriation for Environmental and Climate Justice Block Grants. Several grant recipients are challenging the terminations in court. As of June 2026, the legal actions were ongoing.

Of the about $11.5 billion in appropriations unaffected by these grant terminations and related litigation, Public Law 119-21, commonly known as the One Big Beautiful Bill Act (OBBBA), rescinded the budget authority for about $1.2 billion in appropriations EPA had not obligated. As a result, as of March 31, 2026, EPA is overseeing about $10.2 billion in appropriations that the agency obligated (i.e., committed to spend and thereby created a legal liability) before OBBBA was enacted and which are not affected by ongoing litigation.

We were asked to review EPA's use of IRA appropriations, including any related changes to the agency's staffing. Additionally, the IRA includes a provision for us to support oversight of the distribution and use of IRA appropriations. This report provides information about EPA's use and oversight of the about $10.2 billion the agency obligated and the processes EPA used to make funding decisions.

Key Takeaways

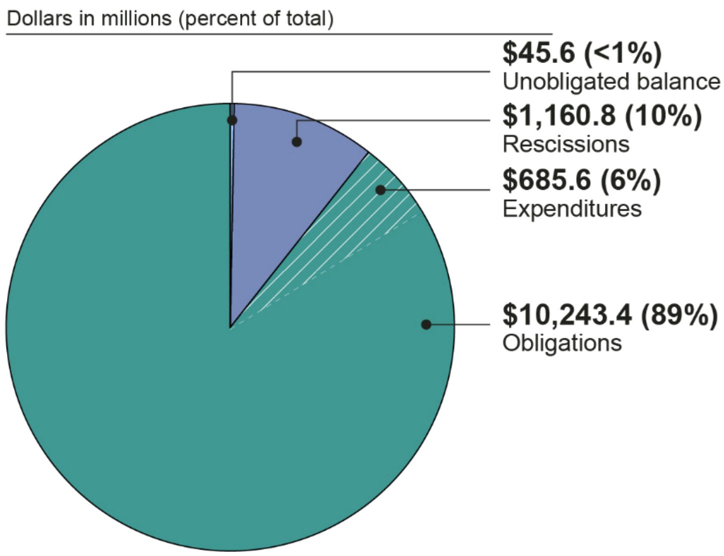
- Of about $11.5 billion in IRA appropriations unaffected by grant terminations, EPA had obligated about $10.2 billion and expended about $685.6 million as of March 2026. The OBBBA rescinded the remaining portion of the appropriations that EPA had not obligated, about $1.2 billion.
- EPA's obligations were mostly for competitive grants, made largely to state governments, for reducing air pollution nationwide.
- EPA is using its standard processes for overseeing recipients' use of funds and is providing additional oversight for all IRA-funded grants.

- EPA is assessing the agency's grant oversight resource needs after recent staff reductions.

How much of the $11.5 billion in IRA appropriations has EPA obligated and expended?

Of the about $11.5 billion EPA received in IRA appropriations that were unaffected by grant terminations, EPA obligated about $10.2 billion and expended $685.6 million, as of March 31, 2026, according to our analysis of EPA data (see fig.1).[1] Furthermore, the OBBBA rescinded about $1.2 billion of the $11.5 billion in appropriations, according to our analysis of EPA's data as of March 20, 2026.[2] As described earlier, $11.5 billion is the amount (out of the about $41.5 billion total appropriated under the IRA) that was not affected by EPA's grant terminations in 2025.

Figure 1: Status of About $11.5 Billion in Appropriations Provided to the U.S. Environmental Protection Agency in the Inflation Reduction Act of 2022 (IRA), as of March 2026



Source: GAO analysis of U.S. Environmental Protection Agency (EPA) data. | GAO-26-108084

Note: Obligations, expenditures, and unobligated balance amounts are as of March 31, 2026. Percentages exceed 100 percent because expenditures are a subset of obligations. Specifically, expenditures are issuances of checks, disbursements of cash, or electronic transfers of funds made to liquidate federal obligations, meaning they are a subset of total obligations. EPA's total obligations of about $10.2 billion are the sum of its unliquidated obligations of $9.6 billion and its expenditures (i.e., liquidated obligations) of $686 million. Recissions amount is as of March 20, 2026. IRA Section 60102 – Grants to Reduce Air Pollution at Ports was not subject to rescissions made by the One Big Beautiful Bill Act. Pub. L. No. 119-21, tit. VI, 139 Stat. 72, 154 (2025). As such, the unobligated balance reflects the amount EPA has not yet obligated from the Section 60102 appropriations.

Under the IRA, the selected $11.5 billion in appropriations were to expire between fiscal years 2026 to 2031. EPA obligated most of the funds in fiscal year 2025. Specifically, EPA obligated about $1.7 billion in fiscal year 2023, $336.3 million in fiscal year 2024, and $8.3 billion in fiscal year 2025. In fiscal year 2026, EPA de-obligated funds, reducing EPA's obligations by about $60.9 million, according to our analysis of EPA's data as of March 31, 2026.

On January 20, 2025, Executive Order 14154 directed federal agencies, including EPA, to immediately pause the disbursements of funds appropriated through the IRA to review their policies, processes, and programs for the use of these funds.[3] On February 4, 2025, EPA's acting Chief Financial Officer issued an internal memorandum announcing, as a result of a court order, that the obligation and disbursement of IRA funds could resume.

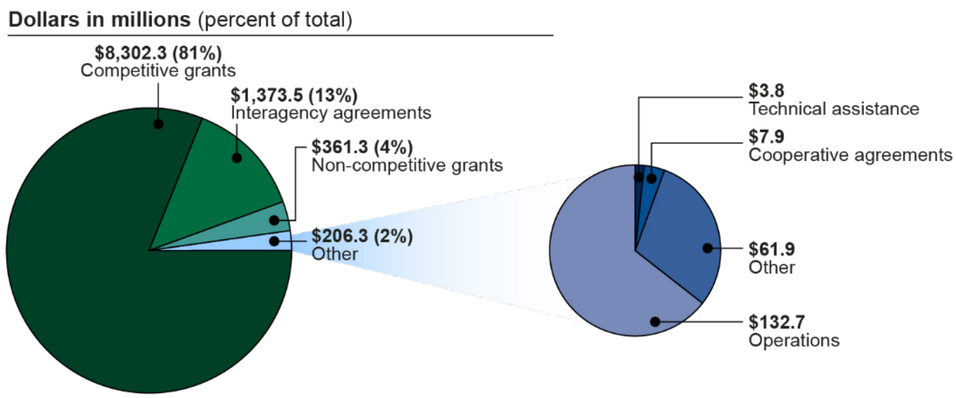
For more detailed information on the 15 IRA sections that provided EPA with about $11.5 billion in appropriations, the agency's obligations and expenditures, and OBBBA's recissions, see appendix I.

For what types of spending has EPA obligated IRA appropriations?

EPA obligated about $10.2 billion of its IRA appropriations for financial assistance, operations (i.e., agency spending on its own IRA-implementation activities instead of financial assistance provided to other entities), and technical assistance, according to our analysis of agency data.[4] The IRA directed EPA to provide competitive grants from some of the appropriations but did not specify the funding mechanism EPA should use for other appropriations.[5]

According to our analysis of EPA's data, about 81 percent of EPA's about $10.2 billion in obligations has been for hundreds of competitive grants awarded under the IRA. Specifically, EPA obligated about $8.3 billion for 230 competitive grants, about $1.4 billion for three interagency agreements to cover implementation costs of programs administered with other agencies, $361.3 million for 393 non-competitive grants, $132.7 million for its own operations implementing IRA programs, $7.9 million for two cooperative agreements, and $3.8 million in technical assistance (see fig.2).[6]

Figure 2: U.S. Environmental Protection Agency's (EPA) Obligations, by Funding Mechanism, of About $10.2 Billion in Appropriations provided to EPA by the Inflation Reduction Act of 2022 (IRA), as of March 31, 2026



Source: GAO analysis of U.S. Environmental Protection Agency (EPA) data. | GAO-26-108084

Note: According to EPA officials, these obligation amounts include EPA's administrative costs associated with implementing its IRA appropriations. Operations spending refers to EPA's obligations for purposes specified in the IRA to implement either new or existing EPA programs

According to our analysis of EPA's data, most of the competitive grants were awarded by EPA under the three programs that received some of the largest IRA appropriations—that is, the Climate Pollution Reduction Grants, Clean Ports, and Clean Heavy-Duty Vehicles programs. Appendix II provides more information on the purpose of each IRA section included in the scope of this report and EPA's implementation.

According to our analysis of EPA's data, EPA obligated about $1.4 billion for three interagency agreements. Two of the agreements were with the U.S. Department of Energy (DOE) to implement Funding for Section 211(o) of the Clean Air Act (IRA Section 60108) and the Methane Emissions Reduction Program (IRA Section 60113). According to DOE officials, DOE has awarded about $350 million in non-competitive grants under the interagency agreement to implement IRA Section 60113 to states to permanently plug and abandon marginal conventional oil and gas wells on non-federal lands, among other things. DOE had also selected recipients for awards totaling about $850 million for projects to monitor, measure, and reduce methane emissions from the oil and gas sector. DOE officials stated that these awards have been made conditionally. As of April 2026, the grant agreements have not yet been finalized, according to DOE officials.

EPA also obligated funds for an interagency agreement with the U.S. Department of Agriculture to implement Environmental Product Declarations (IRA Section 60112). These funds are meant to help enhance public access to federal data needed to develop environmental product declarations for construction materials.

How much has EPA obligated to new and existing efforts?

Of the about $10.2 billion that EPA has obligated, according to our analysis of agency data, about $10 billion (97 percent) has been for new programs directed by the IRA, which primarily provided financial and technical assistance. About $275.3 million (3 percent) has been obligated to supplement EPA programs that existed prior to the enactment of the IRA, such as EPA's national air pollution monitoring program.

Appendix II shows which IRA appropriations funded new or existing efforts, the purpose of the appropriations, and the status of EPA's implementation.

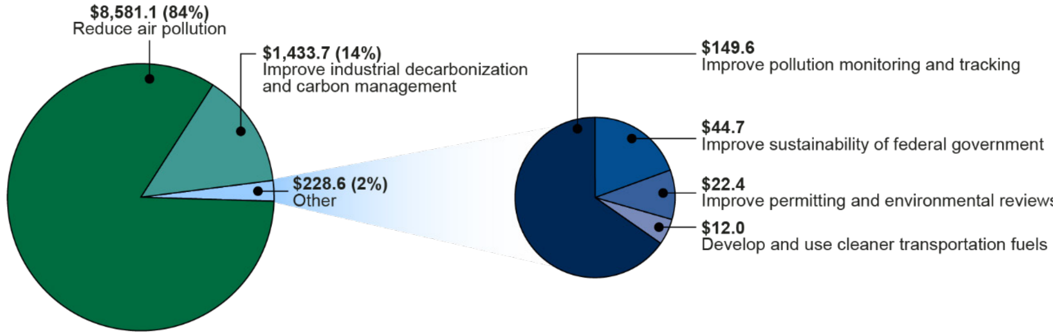
For what purposes has EPA obligated IRA appropriations?

The IRA directed EPA to use appropriations for specific activities, such as efforts to reduce air pollution, as described in appendix II. Of the about $10.2 billion EPA has obligated, about $8.6 billion (84 percent) obligated from fiscal years 2023 to 2026 is for efforts to reduce air pollution (i.e., regulated air pollutants and greenhouse gases) across the country, according to our analysis of EPA data. These efforts included replacing heavy-duty vehicles powered by internal combustion engines with emissions-free equivalents (such as battery-electric or hydrogen fuel cell vehicles), deploying emissions-free equipment and technology at U.S. ports, and funding energy efficiency improvements in commercial and public buildings, among other things.

EPA also obligated funds for other purposes as directed by the IRA, such as (1) developing and using lower-emission transportation fuels, (2) improving industrial decarbonization and carbon management, (3) improving air pollution monitoring and tracking, (4) increasing sustainability in the federal government, and (5) improving federal environmental reviews. Figure 3 shows the different purposes for which EPA obligated appropriations.

Figure 3: U.S. Environmental Protection Agency's (EPA) Obligations, by Purpose, of About $10.2 Billion in Appropriations Provided to EPA by the Inflation Reduction Act of 2022 (IRA), as of March 31, 2026

Dollars in millions (percent of total)



Source: GAO analysis of U.S. Environmental Protection Agency (EPA) data. | GAO-26-108084

Note: According to EPA officials, these obligation amounts include EPA's administrative costs associated with implementing its IRA appropriations. EPA's obligations are categorized by the primary purpose of the IRA appropriations, as described by the White House IRA Guidebook. The White House, *Building a Clean Energy Economy: A Guidebook to The Inflation Reduction Act's Investments in Clean Energy and Climate Action*, v.2, (Washington, D.C.: January 2023). Some IRA appropriations have more than one purpose. Pub. L. No. 117-169, tit. VI, subtit. A, 136 Stat. 1818, 2063 (2022).

How did EPA review and select the recipients of awards?

For the about $8.3 billion obligated for competitive grants under the IRA, EPA used the agency's standard policies and procedures when it reviewed and selected recipients, based on our analysis.[7] Specifically, for each of its IRA grant opportunities, EPA followed its competition policy and announced the availability of the grants to potential applicants by issuing a notice of funding opportunity (NOFO) that defined the program's goals, objectives, eligibility requirements, and evaluation criteria to be used to make awards.

Our review of agency documentation found that, in following the agency's competition policy, EPA recruited staff and internal and external experts to review and evaluate applications using the criteria defined in the NOFO. EPA derived the criteria from IRA requirements, financial assistance regulations, the agency's overall strategic goals, and program-level goals. For example, for the Climate Pollution Reduction Grants program (IRA Section 60114), EPA aimed to address air pollution by setting a goal of achieving significant cumulative greenhouse gas reductions by 2030 and beyond. According to our analysis, in its merit evaluation process EPA rated applicants on several criteria that included the impact of their proposed greenhouse gas reduction measures, and this particular criterion accounted for up to roughly a quarter of their overall merit scores.

To help grants achieve the most impact for each IRA dollar invested, EPA officials stated that many grant programs included evaluation criteria that favored long-lasting impacts that would extend beyond the grants' performance periods. Additionally, EPA officials stated that the agency set mandatory cost share requirements for some programs so that the IRA dollars invested would help achieve a higher level of output. The officials also stated that in other programs EPA's criteria encouraged, but did not require, applicants to leverage additional resources. For example, for the Clean Heavy-Duty Vehicles program, EPA set cost sharing requirements that varied (from one-fifth to two-thirds) by type of vehicle and propulsion.

Officials stated that reviewers, who attested their independence per the agency's policy on conflicts of interest, generally ranked the merit of eligible applicants using a points-based scoring system for each evaluation criterion and made recommendations to an agency selection official accordingly. Based on our review of documentation, the agency selection official in some instances also considered other factors identified in the NOFO, in addition to the final merit scores, to inform final selections. For example, for the Clean Ports program (IRA Section 60102), EPA made awards to two applicants ranked lower than other applicants based on the geographic diversity of the projects—an additional factor identified in the program's NOFO. According to EPA, selecting the two applicants was in line with the program's goal of making at least one award in each of EPA's 10 regions to achieve geographic diversity.

EPA officials stated that, before awarding its competitive grant awards, they also assessed the potential risks posed by applicants that could negatively affect their ability to achieve their projects' goals and objectives. The officials stated that, consistent with federal regulations on providing financial assistance and part of the agency's systemic approach to managing risk, EPA assessed whether applicants had any performance, technical, management, or administrative issues that would pose risks. The officials stated the assessments included reviewing information applicants provided on their historical performance, financial and management capability, new recipient status, unresolved audit findings, and other performance or compliance risks. We reviewed examples of EPA's documentation of these assessments, and they included information on the above-mentioned risks, as well as information on EPA's review of applicants' proposed costs and workplans, among other things.

For the about $361.3 million EPA has obligated for non-competitive grants, our analysis shows that EPA's program guidance generally included program goals and eligibility requirements. EPA officials stated they made non-competitive awards to eligible recipients using formulas generally based on history or need. For example, our review of agency documentation shows that EPA awarded grants to tribal, state, and local air pollution control agencies under IRA Section 60105(f) using formulas defined in the Clean Air Act that had been used historically for such recipients. Activities eligible to be funded under the awards include research on modeling the emissions reductions that can be achieved with various air pollution control technologies. For other grants, such as for funding new air pollution monitoring equipment under IRA Section 60105(a), our review shows that EPA awarded funds to air pollution control agencies based on its assessment of the agencies' needs.

As part of EPA's pre-award risk assessments, according to EPA officials, grants staff review single audit results in the Federal Audit Clearinghouse and direct program or regional officials to initiate audit follow-up and resolution steps if there are any EPA-related findings. For each funding opportunity, we reviewed single audit reports for recipients of the 10 largest awards from 2022 to 2025 and found zero recipients with findings that included both a material weakness in internal controls and a modified opinion on program compliance for which EPA was the federal funding agency.[8] According to EPA officials, since none of the IRA grant recipients had any such findings, no EPA-specific corrective actions were necessary.

EPA also obligated about $132.7 million in IRA appropriations for its own operations for purposes specified in the IRA for either new or existing EPA programs, according to our analysis. For example, the IRA appropriated $87 million for EPA's existing Low-Emissions Electricity program (IRA Section 60107). EPA officials also stated they gathered public input on needs before obligating funds. Similarly, for the $40 million appropriated for improving permitting (IRA Section 60115), agency officials stated they assessed EPA's needs by seeking input from each of the agency's permit writing offices.

What types of entities received IRA appropriations?

Our analysis shows that EPA awarded 623 competitive and non-competitive grants and two cooperative agreements to a variety of entities. This includes about $4.5 billion (53 percent of the total) in obligations through 201 grants to state-level government organizations. Table 1 shows the total obligations and number of grants by entity type.

Table 1: U.S. Environmental Protection Agency's (EPA) Competitive and Non-Competitive Grant and Cooperative Agreement Obligations by Entity Type of Appropriations Provided to EPA by the Inflation Reduction Act (IRA) of 2022, as of April 16, 2026

Entity Type	Number of grants	Total obligations[b] (in millions)
County	48	$290.4
Independent school district	19	$113.8
Indian Tribe	164	$365.5
Intermunicipal	24	$280.4
International organizations[a]	2	$7.9
Interstate	4	$15.0
Municipal	49	$779.6
Not for profit	40	$127.5
Other	8	$464.5
Private university	1	$3.8
Profit organization	2	$89.0
Special district[c]	53	$1,071.8
State	201	$4,543.0
State institution of higher learning	5	$15.2
Township	5	$379.6
Total	**625**	**$8,546.9**

Source: GAO analysis of U.S. Environmental Protection Agency (EPA) data. | GAO-26-108084

Notes: Numbers do not sum to total because of rounding.

This table does not reflect EPA's interagency agreements with the U.S. Department of Energy and U.S. Department of Agriculture or EPA's spending on its operations to implement the programs funded by the IRA.

[a]EPA provided financial assistance through cooperative agreements with two international organizations: the Organisation for Economic Co-operation and Development and the United Nations Environment Programme. The cooperative agreements support work on measuring product-level greenhouse gas intensity and developing environmental product declarations for construction materials.

[b]These obligation amounts do not include EPA's administrative costs associated with implementing each grant.

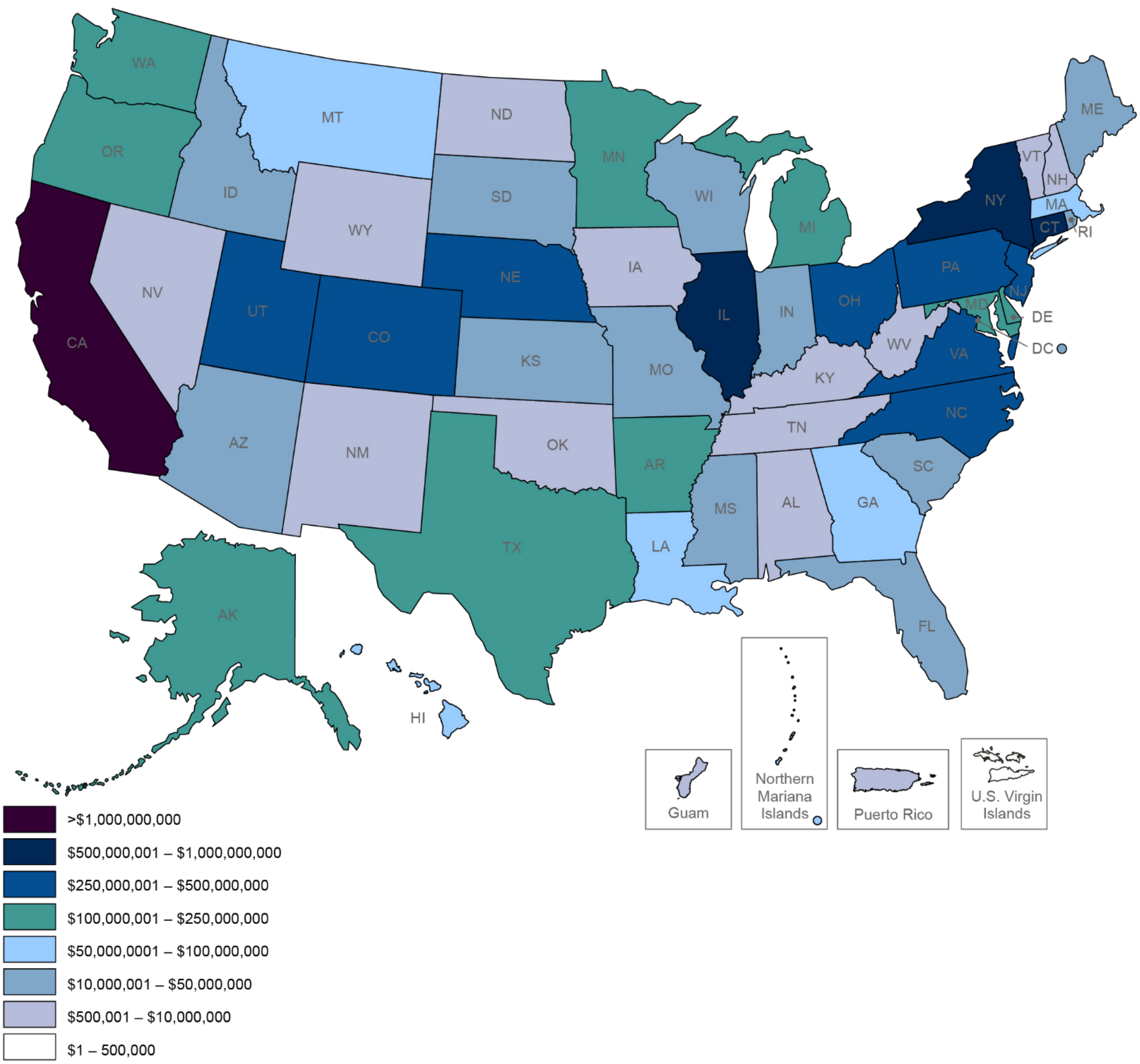
[c]Special districts are a form of local government (see 2 C.F.R. 200.1). Special districts receiving EPA IRA obligations for grants include local air pollution control districts, planning districts, and port authorities.

Where are the recipients of IRA appropriations located?

EPA made IRA-funded competitive and non-competitive grants to entities in all 50 U.S. states, the District of Columbia, and four U.S. territories, according to our analysis of EPA's data (see fig.4). Additionally, EPA provided financial assistance through cooperative agreements to two international organizations to leverage existing domestic efforts.[9]

Entities in California collectively received the largest amount of funding (about $1.7 billion), followed by Illinois (about $572 million), and New York (about $549 million).[10] For example, the South Coast Air Quality Management District received about $561.1 million, the largest amount for recipients located in California.[11]

Figure 4: U.S. Environmental Protection Agency's (EPA) Competitive and Non-Competitive Grant Obligations, by State and Territory, of Appropriations Provided by the Inflation Reduction Act (IRA) of 2022, as of April 16, 2026



Sources: GAO analysis of U.S. Environmental Protection Agency (EPA) data; Map Resources (map). | GAO-26-108084

Note: These obligation amounts do not include those made for cooperative agreements, interagency agreements, or for EPA's operations to implement its IRA appropriations.

How is EPA overseeing IRA grant recipients to ensure they are achieving intended results?

EPA is overseeing grant recipients' uses of IRA funds by following its standard agency oversight processes and by conducting an additional level of review for all recipients, based on our analysis.

EPA grant recipients are generally required, such as through their grant agreements or EPA's grant regulations and policies, to submit periodic performance reports that detail their progress in achieving the milestones and outputs or outcomes in their approved workplans.[12] The workplans outline EPA's and grant recipients' agreed-upon goals, objectives, activities, time frames, and contributions to program results. In their performance reports, per EPA's policy on environmental results from federal assistance, grant recipients are to provide an explanation if they did not meet expectations and if they used more money than expected. Each program defines the frequency at which these reports are to be submitted (e.g., quarterly, semi-annually). Should EPA determine that a recipient has failed to meet the terms of conditions of its grant, the agency can take a number of steps to remedy the situation—from withholding payments, suspending part of the award, or termination according to EPA's grant regulations.[13]

EPA project officers are the primary points of contact with grant recipients and are the officials responsible for reviewing performance reports to ensure grant recipients are achieving expected outputs and outcomes.[14] EPA project officers perform periodic check-ins with grant recipients, which varies by grant program. The grant recipients we interviewed told us they are in regular contact with their project officers to share their progress, and some said these check-ins occur on a bi-weekly or monthly basis.

EPA awarded most of its IRA grants from fiscal years 2023 to 2025, and recipients have submitted performance reports to the agency. The performance reports, which vary in form and content by program, generally include information on how recipients expended grant funds by budget category and how they met milestones in their workplans. Officials in EPA's Office of Air and Radiation (OAR), which is overseeing most of the about $10.2 billion in obligations, stated that, generally, the performance reports received so far show that recipients are implementing their grants as expected. However, the officials explained that a small number of Clean Heavy-Duty Vehicle program grant recipients early in their performance periods reported being unable to meet expectations due to changing circumstances in their respective organizations. The recipients requested to terminate their awards—which EPA accepted. OAR officials stated that these recipients were in the early stages of their grants and that minimal administration funds had been expended.

OAR officials stated there have been minor issues with some other recipients, such as project delays due to some activities taking longer than expected. However, the officials stated that most recipients are in the early phases of implementing their grants, consisting largely of finalizing plans and negotiating vendor contracts. As such, the officials stated that EPA has time to work with recipients to resolve any issues and ensure deliverables are provided within the life of the awards. OAR officials stated they are reviewing drawdowns made by recipients on a weekly basis to ensure they align with the approved workplans, among other things. For two programs with grant recipients further along in their performance periods, Funding to Address Air Pollution (Section 60105) and Climate Pollution Reduction Planning grants (Section 60114), OAR officials stated none of the issues experienced so far with the recipients have risen to a level requiring any grant enforcement actions.

OAR is also conducting an additional level of oversight, which officials described as advanced programmatic monitoring review for all IRA grants. This is an in-depth assessment of a grantee or a project's progress, management, and expectations, and officials stated it is EPA's policy to conduct such reviews for at least 10 percent of its active grants each year. EPA officials stated they plan to conduct this review at least once for all IRA grants over their performance periods, and twice for those awarded $100 million or more. According to our analysis of EPA data, the agency has awarded 22 IRA-funded grants of $100 million or more.

EPA officials stated that each IRA-funded grant program coordinates with agency project officers to ensure the programs are on track to achieve their goals and objectives. For those programs where grants are awarded and managed by the EPA regional offices, EPA officials stated this includes frequent coordination and meetings with regional counterparts.[15]

How has EPA assessed what staff and resources it needs to effectively oversee IRA grant recipients?

EPA officials stated they are evaluating what staff and resources are needed to oversee grants on an ongoing basis and are using contractor support to fill in gaps. For example, OAR officials stated they conducted a staffing analysis prior to awarding IRA grants in 2023. They estimated needing staff equal to about 211 full-time positions cumulatively through fiscal year 2026, or about 70 each year, to administer the four EPA-implemented IRA programs provided with the most appropriations—that is, Climate Pollution Reduction Grants (Section 60114), Clean Ports (Section 60102), Clean Heavy-Duty Vehicles (Section 60101), and Air Pollution Monitoring (Section 60105). However, officials stated that EPA awarded fewer and larger grants than originally anticipated. They added that, while larger grants can sometimes require more oversight, on the whole the lower number of grants required less staffing to oversee.

Agency officials stated that, at the beginning of fiscal year 2025, OAR conducted a review of its hiring and staffing plans using data on its IRA workload and used the results to set staffing targets based on needs through fiscal year 2026. Since that time, OAR has lost hundreds of staff across their headquarters and regional offices due to several rounds of early retirements, according to OAR officials. The officials stated that OAR is managing its workload and staffing needs using annual appropriations, as well as the IRA-provided appropriations that had been obligated before enactment of the OBBBA, to ensure effective oversight. OAR is using contractors where needed, according to OAR officials. For example, officials told us OAR is using contractors to assist project officers with conducting IRA advanced programmatic reviews.

In March 2026, EPA's Office of Inspector General (OIG) recommended that the agency develop a grants workforce plan and reassess its workload benchmarks.[16] The OIG found that the agency had not planned for what its grants workforce would need to manage the volume of grants funded by its annual appropriations, as well as large supplemental appropriations such as the IRA. Furthermore, the OIG found that the workload of EPA's grants staff—grant specialists who conduct administrative functions and project officers who conduct technical and programmatic oversight of grants—had varied significantly from 2018 through 2025, and the agency had not updated its benchmarks since 2005.

According to the OIG, the agency did not agree to implement the OIG's recommendations but stated that it would revisit them in several months. EPA officials stated to the OIG that this was to allow the full impact of the agency's Deferred Resignation Program, retirements, and reorganizations to be better understood.[17] Agency officials also stated that it would consider enhancing its post-award monitoring program to reduce the likelihood of improperly managed grants.

What challenges have selected grant recipients reported facing with implementing their IRA grants?

In our interviews with five selected grant recipients, some said potential delays and cost increases in their supply chains could challenge their ability to complete projects on time and on budget. Some recipients said they were still in the planning stages and that these issues will be better known once vendors have provided them with bids. Most recipients said they had recently completed requests for proposals and expected bids from vendors in the near future.

One of the potential challenges some of the recipients we interviewed said was that they expect their projects to compete with other IRA-funded projects for electrical and zero-emissions equipment from a limited pool of manufacturers, in part due to requirements to purchase American-made construction materials and products.[18] They said there could be long lead times and higher-than-expected prices in response to the demand resulting from the grant programs funded by the IRA and the general increase in demand for electrification materials.

All recipients we interviewed said a temporary pause in the availability of grant funds from EPA in early 2025 had been disruptive. On January 20, 2025, Executive Order 14154 directed federal agencies, including EPA, to immediately pause the disbursements of funds appropriated through the IRA to review their policies, processes, and programs for the use of these funds.[19] On February 4, 2025, EPA's acting Chief Financial Officer issued an internal memorandum announcing that, as a result of a court order, obligation and disbursement of IRA funds could resume. The recipients told us the pause had put them behind schedule for completing IRA-funded work. Some recipients said they should be able to recover from the disruption and deliver their projects on time as planned. Other recipients said it was too early to tell whether the disruption from the pause would have lasting effects.

Agency Comments

We provided a draft of this report to EPA and DOE for review and comment. EPA and DOE did not have any comments on the report.

How GAO Did This Study

To examine how EPA has obligated and expended IRA appropriations, we obtained and analyzed EPA data on its IRA obligations and expenditures.[20] We assessed the reliability of the data by interviewing EPA officials, reviewing documents on EPA's financial accounting, and examining the data for obvious errors or inconsistencies. We found the data sufficiently reliable for describing how EPA has obligated and expended its IRA appropriations as of March 31, 2026.

To examine how EPA made decisions about obligating and expending IRA appropriations, we reviewed legal requirements and agency policies and documents regarding EPA's use of IRA appropriations, including documents used by the agency to review and select recipients. We also interviewed and obtained written responses from EPA officials about how they made decisions regarding how to use IRA appropriations.

To examine how EPA is overseeing its uses of IRA appropriations, we reviewed related documents, such as EPA guidance on the use of appropriations, progress reports, and relevant federal laws and regulations. We also reviewed single audit reports from the Federal Audit Clearinghouse for selected recipients of financial awards for audit years 2022 through 2025 to identify any findings that were reported as both a material weakness in internal controls and a modified opinion on program compliance. We selected the 10 largest recipients of awards for all 12 funding opportunities in the scope of our review.[21] Additionally, we interviewed and obtained written responses from EPA officials about the agency's approach to program and project management, performance measurement, and oversight and monitoring of the final recipients of appropriations, such as entities that were awarded contracts.

We interviewed five recipients from some of the largest grant programs established with the IRA funds. We spoke with them about how EPA reviewed and selected applicants for awards and conducted its oversight of recipients. We selected the recipients based on the following factors: size of program appropriation (i.e., $1 billion or more), size of grant award (i.e., either among the largest or smallest made by the program), and geographic diversity (i.e., we selected recipients to cover a variety of EPA regions). Although the experiences of our selected interviewees are not generalizable to all EPA IRA grant recipients, they provide useful insight into the experiences of such grant recipients.

We conducted this performance audit from January 2025 to July 2026 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.

List of Addressees

The Honorable Shelley Moore Capito
Chairman
Committee on Environment and Public Works
United States Senate

The Honorable Brett Guthrie
Chairman
Committee on Energy and Commerce
House of Representatives

The Honorable Bruce Westerman
Chairman
Committee on Natural Resources
House of Representatives

The Honorable Sam Graves
Chairman
Committee on Transportation and Infrastructure
House of Representatives

We are sending copies of this report to the appropriate congressional committees, the EPA Administrator, the Secretary of Energy, and other interested parties. In addition, the report will be available at no charge on the GAO website at www.gao.gov.

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Appendix I: EPA's Inflation Reduction Act of 2022 Funding by Section

This appendix provides additional information on the status of the U.S. Environmental Protection Agency's (EPA) funding by section of the Inflation Reduction Act of 2022.

Table 2: U.S. Environmental Protection Agency's (EPA) Inflation Reduction Act of 2022 (IRA) Obligations, Rescissions, and Expenditures of About $11.5 billion in Appropriations by Section, as of March 31, 2026 (in millions)

IRA section number	Section title	Appropriations	Rescissions[a]	Obligations[c]	Expenditures (as % of Obligations)
60101	Clean Heavy-Duty Vehicles	$1,000.0	$398.1	$601.7	$26.0 (4.3%)
60102	Grants to Reduce Air Pollution at Ports	$3,000.0	$0[b]	$2,954.5	$43.0 (1.5%)
60104	Diesel Emissions Reductions	$60.0	$59.7	$0.3	$0.3 (100%)
60105	Funding to Address Air Pollution	$235.5	$67.8	$165.9	$91.5 (55.2%)
60106	Funding to Address Air Pollution at Schools	$50.0	$10.6	$39.4	$8.9 (22.7%)
60107	Low Emissions Electricity Program	$87.0	$41.0	$45.7	$32.9 (72.0%)
60108	Funding for Section 211(o) of the Clean Air Act	$15.0	$3.0	$12.0	$2.3 (19.1%)
60109	Funding for Implementation of the American Innovation and Manufacturing Act	$38.5	$3.9	$34.6	$23.9 (69.1%)
60110	Funding for Enforcement Technology and Public Information	$25.0	$6.5	$18.5	$5.6 (30.5%)
60111	Greenhouse Gas Corporate Reporting	$5.0	$4.0	$0.4	$0.4 (100%)
60112	Environmental Product Declaration Assistance	$250.0	$226.1	$23.3	$5.1 (21.9%)
60113	Methane Emissions Reduction Program	$1,550.0	$148.5	$1,399.2	$66.7 (4.8%)
60114	Climate Pollution Reduction Grants	$5,000.0	$95.5	$ 4,904.4	$338.7 (6.9%)
60115	Environmental Protection Agency Efficient, Accurate, and Timely Reviews	$40.0	$17.4	$22.4	$21.6 (96.4%)
60116	Low-Embodied Carbon Labeling for Construction Materials	$100.0	$78.6	$21.3	$18.7 (87.6%)

Total	$11,456.0	$1,160.8	$10,243.4	$685.6 (6.7%)

Source: GAO analysis of U.S. Environmental Protection Agency (EPA) data. | GAO-26-108084

[a]Rescission amounts are as of March 20, 2026.

[b]Public Law 119-21, commonly known as the One Big Beautiful Bill Act, did not rescind the unobligated appropriations of this section. Pub. L. No. 119-21, tit. VI, 139 Stat. 72, 154 (2025).

[c]According to EPA officials, these amounts include EPA's administrative costs associated with implementing each IRA section that provided an appropriation for such costs.

Appendix II: EPA's IRA Implementation by Section

This appendix provides additional information on the actions taken by the U.S. Environmental Protection Agency (EPA) to implement each selected section of Title VI of the Inflation Reduction Act of 2022 (IRA).

Table 3: U.S. Environmental Protection Agency's (EPA) Implementation of About $11.5 Billion in Inflation Reduction Act of 2022 Appropriations by Section, as of March 31, 2026

IRA section and appropriations (in millions)	EPA program lead	Purpose as directed by the IRA	EPA's implementation[a]	Funds new or existing efforts?
60101 (Clean Heavy-Duty Vehicles), $1,000.0	Office of Air and Radiation (OAR)	To help reduce air pollution by providing funds for grants and rebates to replace certain existing heavy-duty vehicles (such as trucks above 19,500 pounds gross vehicle weight rating) with zero-emission vehicles (ZEVs); deploy infrastructure needed to charge, fuel, or maintain these ZEVs; develop and train the necessary workforce; and support planning and technical activities for adoption and deployment of these ZEVs. Of the $1 billion in appropriations, $400 million is reserved for recipients replacing eligible vehicles in non-attainment areas (i.e., areas not meeting the National Ambient Air Quality Standards) for any air pollutant regulated under the Clean Air Act.	EPA held one competitive funding opportunity to make awards to states, municipalities, Tribes, and nonprofit school transportation associations to replace existing heavy-duty vehicles with zero-emission school buses and vocational vehicles. Recipients, with the exception of territories and Tribes, are required to share some of the costs of their projects, and the share varies by the type and powertrain of the vehicles to be purchased with grant funds. According to our analysis of EPA data, as of April 2026, EPA was managing 52 grants totaling about $595.3 million. Of this, about $299.2 million was for projects in non-attainment areas. EPA officials told us that, at that time, the agency estimated that about 2,027 legacy heavy-duty vehicles would be replaced with 1,276 zero-emission school buses and 751 zero-emissions vocational vehicles.	New

60102 (Grants to Reduce Air Pollution at Ports)[b], $3,000.0	OAR	To help reduce air pollution at U.S. ports by providing funds for rebates and competitive grants to purchase or install zero-emissions port equipment or technologies, associated planning or permitting activities, and develop related climate action plans. Of the $3 billion in appropriations, $750 million is reserved specifically for these activities for ports in Clean Air Act non-attainment areas.	EPA's Clean Ports Program conducted two grant competitions to make awards to port operators and related entities: the Climate and Air Quality Planning Competition and Zero Emissions Technology Deployment Competition. According to our analysis of EPA data, as of April 2026, EPA was managing 53 awards totaling $2.9 billion from the two competitions. Recipients of Zero Emissions Technology Deployment grants, with the exception of Tribes, are required to share some of the project costs, and the share (between 10 and 20 percent) varies the overall cost of the project. According to EPA's Clean Ports program's webpage, the grants are expected to result in the purchase of a variety of battery-electric and hydrogen-powered equipment used at ports, including over 1,500 cargo handling units, 1,000 trucks for transporting shipping containers, 10 locomotives, shore-power systems, and solar power generation.	New
60104 (Diesel Emissions Reductions), $60.0	OAR	To help address the health impacts associated with diesel emissions resulting from goods movement facilities, and the vehicles that service them, in low-income and disadvantaged communities by funding grants, rebates, and loans under the agency's Diesel Emissions Reduction Act program to identify and reduce such emissions.	According to our analysis of EPA data, EPA had obligated about $0.3 million by July 2025 when the OBBBA was enacted, which rescinded all the remaining appropriations that had not yet been obligated by EPA. EPA officials told us these obligations were generally for administrative expenses.	Existing

60105 (Funding to Address Air Pollution), $235.5	OAR	To help reduce air pollution by providing funds for grants and other activities to support air monitoring activities, expand and maintain the national ambient air quality monitoring network, deploy air quality sensors in low-income and disadvantaged communities, address emissions from wood heaters, conduct air pollution prevention and control research, and implement emissions standards for mobile sources, among other activities.	EPA held one competitive and four non-competitive funding opportunities. According to our analysis of EPA data, EPA issued 57 competitive grants totaling about $25.3 million to eligible states, local governments, U.S. territories, Tribes, hospitals, laboratories, and nonprofits to enhance air quality monitoring efforts and partnerships in and near underserved communities. According to our analysis of EPA data, EPA issued 125 non-competitive grants totaling about $79.7 million to tribal, state, and local air pollution control agencies to fund new or replace existing fence line and multipollutant air monitoring equipment. EPA estimates that 57 new air monitoring stations will be added to monitoring networks by tribal, state, and local air agencies. According to our analysis of EPA data, EPA issued 53 non-competitive grants totaling about $16.6 million to tribal, state, and local air pollution control agencies to support research and development activities, including studies modeling potential emissions reductions under varying control technologies and approaches. According to our analysis of EPA data, EPA issued 36 non-competitive grants totaling about $1.6 million grants to tribal, state, and local air pollution control agencies to deploy and operate air quality sensors in low income and disadvantaged communities. For example, according to EPA officials, one grantee is expecting to deploy 40 new sensors in communities affected by volcanic emissions, smoke, and dust. According to our analysis of EPA data, EPA issued one non-competitive grant totaling about $8.8 million to a consortium of air pollution control agencies to conduct emissions testing on wood heaters available at retail stores in the U.S. and develop an emissions hierarchy based on their findings.	Existing and New[c]

60106 (Funding to Address Air Pollution at Schools), $50.0	OAR	To reduce air pollution at schools in low-income and disadvantaged communities by providing funds for grants and other activities to support air pollution monitoring and reduction efforts and by providing technical assistance to schools in these communities to develop environmental quality plans, help identify and mitigate ongoing air pollution hazards, and address environmental issues.	EPA held one competitive funding opportunity to make awards to states, local government and educational agencies, U.S. territories, Tribes, and nonprofits to enable K-12 schools in low-income and disadvantaged communities to monitor and reduce greenhouse gas emissions and indoor air pollutants through the development and adoption of comprehensive indoor air quality management plans. According to our analysis of EPA data, EPA issued five grants totaling about $34.1 million.	New
60107 (Low Emissions Electricity Program), $87.0	OAR	To reduce greenhouse gas emissions from domestic electricity generation and use through: $17 million for consumer education; $17 million for education, technical assistance, and partnerships in low-income and disadvantaged communities; $17 million for industry outreach and technical assistance; $17 million for outreach and technical assistance and partnerships with, tribal, state, and local governments; $1 million for an assessment, due in 1 year, of the reductions in GHG emissions that result from changes in domestic electricity generation and use that are anticipated to occur on an annual basis through fiscal year 2031; and $18 million for reducing greenhouse gas emissions through use of existing Clean Air Act authorities.	EPA developed and issued a report in September 2023 that assessed the projected carbon dioxide emission reductions expected to occur as a result of the Inflation Reduction Act. According to EPA officials, EPA also expended funds for education, partnerships, technical assistance, and outreach activities in support of the emissions reductions requirements under this section. According to our analysis of EPA's data, EPA obligated about $46.0 million by the time OBBBA was enacted in July 2025, therefore the remaining unobligated appropriations were rescinded.	Existing
60108 (Funding for Section 211(o) of the Clean Air Act), $15.0	OAR	To support the EPA's Clean Air Act renewable fuel program through $5 million for (1) developing and establishing tests and protocols for examining the environmental and public health effects of a fuel or fuel additive, (2) data collection and analyses to determine lifecycle greenhouse emissions of a fuel to update applicable regulations, and (3) activities to examine the impacts of all transportation fuels. Also, to provide $10 million in grants to industry and other related activities for investments in advanced biofuels.	EPA entered into an interagency agreement with the U.S. Department of Energy (DOE) Bioenergy Technologies Office and held a funding opportunity in 2024 for competitive grants to advance biofuel development (i.e., sustainable aviation fuels). Recipients are required to share at least 20 percent of project costs. In January 2025, EPA and DOE announced $6 million in grants to three recipients for pre-pilot projects meant to scale up biorefinery technologies. DOE officials stated that, as of March 2026, the agency had not executed any grants or obligated any funds.	New

60109 (Funding for Implementation of the American Innovation and Manufacturing Act), $38.5	OAR	To help implement parts of the American Innovation and Manufacturing Act by providing $23.5 million in funds for monitoring, managing, and phasing-out hydrofluorocarbon production and consumption and $15 million for competitive grants for developing reclaim and innovative destruction technologies.	EPA held one competitive funding opportunity to make awards for Hydrofluorocarbon (HFC) Reclaim and Innovative Destruction Grants. According to our analysis of EPA's data, EPA issued four competitive grants totaling about $12.0 million for projects to reclaim and destroy HFCs used in refrigeration and air conditioning.	New (grants) and Existing (operations)
60110 (Funding for Enforcement Technology and Public Information), $25.0	Office of Enforcement and Compliance Assurance	To update the Integrated Compliance Information System (ICIS) by providing $18 million to ensure access to compliance data and related information; $3 million for grants to states, Indian tribes, and air pollution control agencies for updating systems to ensure communication with EPA's ICIS; $4 million for acquiring or updating inspection software for use by EPA, states, Indian tribes, and air pollution control agencies or devices on which to run such inspection software.	According to EPA officials, EPA obligated funds for ICIS modernization activities that will help optimize data sharing between ICIS and other EPA systems, among other things. EPA also obligated funds for inspection software licensing, modification, and maintenance. EPA had not obligated any of the $3 million appropriated for grants for states, tribes, and air pollution control agencies for updating their systems for communication with ICIS by the time OBBBA was enacted, which rescinded those funds.	New (grants) and Existing (operations)
60111 (Greenhouse Gas Corporate Reporting), $5.0	OAR	To support (1) enhanced standardization and transparency of corporate climate action commitments and plans to reduce greenhouse gas emissions; (2) enhanced transparency regarding progress toward meeting such commitments and implementing such plans; and (3) progress toward meeting such commitments and implementing such plans.	According to our analysis of EPA data, EPA obligated about $1 million by the time OBBBA was enacted in July 2025, therefore the remaining unobligated appropriations were rescinded.	New
60112 (Environmental Product Declaration Assistance), $250.0	Office of Chemical Safety and Pollution Prevention (OCSPP)	To enhance transparency of greenhouse gas emissions associated with the production, use, and disposal of construction materials and products by providing funds for grants, technical assistance, and other activities to develop and standardize environmental product declarations (EPD).	EPA issued three non-competitive awards, including an interagency agreement with the U.S. Department of Agriculture totaling about $3.7 million to help enhance public access to federal data needed to develop EPDs; and two cooperative agreements totaling about $7.9 million to international organizations to advance international cooperation and enhance the interoperability of data needed to develop EPDs.	New

60113 (Methane Emissions Reduction Program), $1,550.0	OAR	To reduce methane emissions by providing funds for grants, rebates, contracts, loans, and other activities to incentivize actions to mitigate and monitor emissions from natural gas systems and conventional wells and by imposing a waste emissions charge on emissions that exceed a defined threshold.	EPA entered into an interagency agreement with the U.S. Department of Energy (DOE) to implement this section and held one competitive and one non-competitive funding opportunity. EPA and DOE awarded 14 non-competitive grants totaling $350 million to states to permanently plug and abandon marginal conventional wells on non-Federal lands. DOE estimates that about 3,500 to 4,000 wells will be plugged and abandoned. EPA and DOE also selected 43 applicants to receive competitive grants totaling about $850 million to eligible institutions of higher education, for-profits, nonprofits, state and local governments, and Tribes to reduce emissions from existing marginal conventional wells and accelerate the deployment of reduction technologies and monitoring solutions. These awards were issued as fully conditional awards. As of April 2026, DOE is working with the selected applicants to finalize the awards.	New
60114 (Climate Pollution Reduction Grants), $5,000.0	OAR	To reduce air pollution by providing funds to award grants to at least one entity in each state to develop a plan to reduce greenhouse gas air pollution and competitively award grants to help implement the programs, policies, measures, and projects identified in the plans.	EPA held one non-competitive and two competitive funding opportunities. According to our analysis of EPA's data, EPA issued 178 non-competitive planning grants totaling about $223.2 million to eligible states, municipalities, territories, Tribes, and air pollution control agencies to develop a climate action plan, or update an existing one, that identifies measures to reduce air pollution. According to our analysis of EPA's data, EPA collectively issued 59 implementation grants across two competitions totaling about $4.6 billion to states, municipalities, Tribes, and territories that received a planning grant and municipalities, Tribes, and air pollution control agencies that did not receive a planning grant to implement one or more measures identified in an approved climate action plan.	New

60115 (Environmental Protection Agency Efficient, Accurate, and Timely Reviews), $40.0	Office of Policy	To improve the EPA's permitting and approval processes by providing funds to support the development of efficient, accurate, and timely reviews for permitting and approval processes.	EPA generally obligated funds to support new hires and existing programmatic permitting staff, develop training programs to support capacity building, and obtain contractor support to help automate permitting administration, among other things.	Existing
60116 (Low-Embodied Carbon Labeling for Construction Materials), $100.0	OCSPP	To develop a program to identify and label construction materials and products used in Federal transportation and building projects that have substantially lower levels of embodied greenhouse gas emissions compared to industry averages of similar products or materials.	EPA carried out activities in support of the labeling program, including issuing an interim determination on low embodied carbon materials. However, according to EPA officials, the development of the program has been discontinued.	New
Total: $11,456.0				

Source: GAO analysis of the Inflation Reduction Act of 2022, U.S. Environmental Protection Agency (EPA) data, and other information obtained from by EPA. | GAO-26-108084

[a]According to EPA officials, these obligation amounts generally do not include EPA's administrative costs associated with implementing each section that provided an appropriation for such costs.

[b]Public Law 119-21, commonly known as the One Big Beautiful Bill Act (OBBBA), made no rescissions to this IRA section. Pub. L. No. 119-21, tit. VI, 139 Stat. 72, 154 (2025).

[c]IRA section 60105(g) directed EPA to provide grants to states to adopt and implement California's greenhouse gas and zero-emission standards for on-road mobile sources. EPA did not obligate any of the appropriation provided by this subsection prior to the enactment of the OBBBA, which rescinded the remaining appropriations that had not yet been obligated by EPA. Pub. L. No. 119-21, tit. VI, § 60004, 139 Stat. 72, 155 (2025). The IRA did not provide any other appropriations for this purpose.

Appendix III: EPA's IRA Obligations by State or Territory

This appendix provides additional information on how the U.S. Environmental Protection Agency (EPA) has obligated about $8.5 billion of selected Inflation Reduction Act of 2022 (IRA) appropriations (of the about $10.2 billion in total it has obligated) for grants to entities by their location in U.S. states and territories.

Table 4: U.S. Environmental Protection Agency's (EPA) Inflation Reduction Act of 2022 Competitive and Non-Competitive Grant Obligations by State or U.S. Territory, as of April 16, 2026

State or U.S. territory	Total number of grants	Total sum of obligations[a] (in millions)
Alabama	7	$8.5
Alaska	17	$154.8
Arizona	22	$49.3
Arkansas	3	$103.2
California	82	$1,727.0
Colorado	14	$342.4
Connecticut	15	$514.6
District of Columbia	5	$10.4
Delaware	5	$132.0
Florida	20	$35.0
Georgia	7	$56.7
Guam	2	$2.9
Hawaii	7	$64.0
Idaho	8	$48.1
Illinois	15	$571.6
Indiana	4	$11.3
Iowa	4	$4.6
Kansas	7	$18.1
Kentucky	6	$4.3
Louisiana	11	$67.5
Maine	10	$13.1
Maryland	8	$153.2
Massachusetts	18	$73.6
Michigan	21	$208.4
Minnesota	18	$216.2
Mississippi	5	$14.8
Missouri	7	$18.0
Montana	11	$55.1
Nebraska	6	$311.3
Nevada	13	$6.2
New Hampshire	2	$3.7
New Jersey	5	$254.2
New Mexico	9	$7.4
New York	22	$549.2
North Carolina	14	$445.0
North Dakota	6	$8.8
Northern Mariana Islands	3	$52.3
Ohio	13	$287.9
Oklahoma	12	$8.4
Oregon	8	$210.4
Pennsylvania	19	$490.7
Puerto Rico	6	$6.5
Rhode Island	5	$10.7
South Carolina	9	$17.2
South Dakota	7	$10.2

Tennessee	13	$8.7
Texas	20	$234.3
Utah	13	$262.6
Vermont	2	$3.7
Virginia	13	$451.5
U.S. Virgin Islands	1	$0.5
Washington	24	$177.6
Wisconsin	13	$34.9
West Virginia	3	$4.0
Wyoming	3	$2.1
Total	**623**	**$8,539.0**

Source: GAO analysis of U.S. Environmental Protection Agency (EPA) data. | GAO-26-108084

[a]According to EPA officials, these obligation amounts do not include EPA's administrative costs associated with implementing these grants.

Endnotes

[1]EPA received about $41.5 billion in appropriations under 17 sections of Title VI of the IRA. See An Act To provide for reconciliation pursuant to title II of S. Con. Res. 14. Pub. L. No. 117-169, tit. VI, subtit. A, 136 Stat. 1818, 2063 (2022) (hereafter, IRA).

[2]The OBBBA rescinded unobligated funds from EPA's appropriations provided under 16 sections of Title VI of the IRA. See An Act To provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. L. No. 119-21, tit. VI, 139 Stat. 72, 154 (2025). The OBBBA did not rescind unobligated funds from EPA's appropriations under IRA Section 60102, which appropriated $3 billion for EPA to awards rebates and grants to reduce air pollution at ports. See IRA, Pub. L. No. 117-169, § 60102, 136 Stat. 1818, 2064 (codified at 42 U.S.C. § 7433).

[3]See Exec. Order No. 14154 of January 20, 2025, 90 Fed. Reg. 8353, 8357 (Jan. 29, 2025). Disbursement refers to the amounts paid by federal agencies to liquidate government obligations and is used interchangeably with the term expenditure. The order required all agencies to review uses of IRA funds for alignment with the policies set forth in the order, including that (1) an abundant supply of reliable energy is readily accessible in every U.S. state and territory to protect U.S. economic and national security and military preparedness, and (2) "all regulatory requirements related to energy are grounded in clearly applicable law." EPA officials stated that the agency independently reviewed all grants awarded under the IRA for alignment with the administration's policies as part of the transition of administration—not in response to Executive Order 14154. 90 Fed. Reg. 8353, 8357 (Jan. 29, 2025).

[4]Federal financial assistance includes, among other things, grants and cooperative agreements provided to non-federal entities, according to 2 C.F.R. 200 (i.e., the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). An example of EPA's obligations for technical assistance includes using IRA Section 60106(b) appropriations to assist schools in low-income and disadvantaged communities to address environmental issues, develop environmental quality plans, and mitigate ongoing air pollution hazards.

[5]EPA awarded financial assistance agreements under its Policy for Competition of Assistance Agreements (EPA Order Classification No. 5700.5A1), which requires all financial assistance agreements (i.e., grants, cooperative agreements, and fellowships) to be awarded on a competitive basis unless exempt under section 6.c or certain conditions are met for an exception under section 12.a of the competition policy. As such, according to EPA officials, in instances where the IRA did not specify if awards should be awarded competitively, EPA held competitions unless an exemption applied or an exception was made per its competition policy.

[6]According to EPA officials, these totals include the administrative costs funded through the IRA that are associated with each spending type.

[7]EPA, in administering grants under the IRA, must comply with federal financial assistance requirements under 2 C.F.R. Part 200 (i.e., the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

[8]A single audit is an organization-wide financial statement and federal awards audit of a nonfederal entity. The threshold requirement for a single audit increased to $1,000,000 for fiscal years starting on or after October 1, 2024, up from the previous $750,000 threshold. *See* 2 C.F.R. §§ 200.501(b), 200.514. Of the 111 recipients of EPA IRA grants we selected for our review of single audit results, we found five recipients with findings that included both a material weakness in internal controls

and a modified opinion on program compliance where an agency other than EPA was the federal funding agency. According to EPA officials, since none of these five IRA grant recipients had audit findings attributable to EPA programs or awards, there were no EPA-specific actions necessary to resolve the findings.

[9]EPA issued cooperative agreements to two international organizations: the Organisation for Economic Co-operation and Development and the United Nations Environment Programme. These cooperative agreements aim to support ongoing international efforts to standardize and align methodologies for measuring product-level greenhouse gas intensity and life cycle assessment data needed to develop environmental product declarations for construction materials.

[10]According to EPA officials, these obligation amounts do not include EPA's administrative costs associated with implementing its IRA appropriations.

[11]The South Coast Air Quality Management District (SCAQMD) is a local air pollution control agency for approximately 44 percent of California's entire population. SCAQMD collectively received about $561.1 million from the Air Monitoring, Clean Air Act Grant, Clean Heavy-Duty Vehicles, Climate Pollution Reduction Implementation Grant, and Enhanced Air Quality Monitoring for Communities Grant IRA-funded programs.

[12]*See* 2 C.F.R. § 200.329(c) (requiring financial assistance recipient or subrecipient to submit performance reports as required by the Federal award no less frequent than annually). *See also* EPA, *Environmental Results under EPA Assistance Agreements*, Order 5700.7A1 (2021).

[13]40 C.F.R. § 33.105; 40 C.F.R. pt. 35; 2 C.F.R. § 200.339.

[14]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.

[15]GAO previously reported on how EPA awards and manages its grants at multiple levels across the agency, including in headquarters, in 10 national program offices in headquarters, and program offices and administrative grants management offices in EPA's 10 regional offices. GAO, *Grants Management: EPA Has Taken Steps to Improve Competition for Discretionary Grants but Could Make Information More Readily Available*, GAO-17-161 (Washington, D.C.: January 23, 2017).

[16]EPA Office of Inspector General, *Audit of the EPA's Grants Workforce Planning*, Mar. 11, 2026, Report No.26-P-0017.

[17]On January 28, 2025, OPM released information allowing federal employees to voluntarily resign via the Deferred Resignation Program. OPM, Deferred Resignation Email to Federal Employees (Jan. 28, 2025). Deferred resignation was available to full-time federal employees, except for military personnel of the armed forces, employees of the U.S. Postal Service, those in positions related to immigration enforcement and national security, those in positions related to public safety, and those in positions specifically excluded by the employing agency. The program is currently in the midst of a legal challenge. *Am. Fed'n of Gov't Employees v. Kupor,* No. 25-1959 (1st Cir.).

[18]Federal financial assistance programs for infrastructure must comply with domestic content procurement preference requirements established in the Build America, Buy America Act (BABA), which was enacted as part of the Infrastructure Investment and Jobs Act (IIJA). See Pub. L. No. 117-58, §§ 70901-70927, 135 Stat. 429, 1194-1309 (2021) (codified at 41 U.S.C. § 8301 note). BABA requires that the head of each covered federal agency ensure that "none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." IIJA § 70914(a).

[19]See Exec. Order No. 14154 of January 20, 2025, 90 Fed. Reg. 8353, 8357 (Jan. 29, 2025). Disbursement refers to the amounts paid by federal agencies to liquidate government obligations and is used interchangeably with the term expenditure. The order required all agencies to review uses of IRA funds for alignment with the policies set forth in the order, including that (1) an abundant supply of reliable energy is readily accessible in every U.S. state and territory to protect U.S. economic and national security and military preparedness and (2) "all regulatory requirements related to energy are grounded in clearly applicable law." EPA officials stated that the agency independently reviewed all grants awarded under the IRA for alignment with the administration's policies as part of the transition of administration—not in response to Executive Order 14154.

[20]We were also asked to review IRA-related activities at the U.S. Fish and Wildlife Service, Federal Highway Administration, U.S. General Services Administration, and the Council on Environmental Quality. We are reviewing these agencies' IRA activities separately. See also GAO, *Oversight of EPA and DOE Spending: Implementing Remaining GAO Recommendations Could Help Address Identified Challenges*, GAO-25-108135 (Washington, D.C.: Feb. 26, 2025): *Inflation Reduction Act: Opportunities Exist to Help Ensure GSA Programs Achieve Intended Results*, GAO-25-107349 (Washington, D.C.: Apr. 29, 2025); *Inflation Reduction Act: Council on Environmental Quality's Uses and Oversight of Appropriations as of December 2024*, GAO-25-107108 (Washington, D.C.: May 21, 2025); and *Inflation Reduction Act: U.S. Fish and Wildlife Service Should Develop Performance Goals for Its Wildlife Refuge Projects*, GAO-26-108212 (Washington, D.C.: July 10, 2026).

[21]Three funding opportunities had fewer than 10 award recipients. As such, we reviewed single audit reports for all recipients of those funding opportunities.