



Highlights of [GAO-03-628T](#), testimony to the Subcommittee on Water Resources and Environment, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

Over the years, EPA has had persistent problems in managing its grants. Grants constituted one-half of the agency's annual budget, or about \$4.2 billion in fiscal year 2002. EPA uses grants to implement its programs to protect human health and the environment and awards them to over 3,300 recipients, including state and local governments, tribes, universities, and nonprofit organizations. EPA's ability to efficiently and effectively accomplish its mission largely depends on how well it manages its grant resources and builds in accountability.

Since 1996, GAO and EPA's Office of Inspector General have repeatedly reported on EPA's problems in managing its grants. Because these problems have persisted, in January 2003, GAO cited grants management as a major management challenge for EPA. GAO is currently reviewing EPA's efforts to improve grants management at the request of the Chairman of the House Committee on Transportation and Infrastructure and Representative Anne Northup. For this testimony GAO is reporting on results of its previously issued reports and on the grants problems EPA faces, past actions to address these problems, and recently issued EPA policies and a 5-year grants management plan to address its long-standing grants management problems.

www.gao.gov/cgi-bin/getrpt?GAO-03-628T

To view the full testimony, click on the link above.

For more information, contact John B. Stephenson at (202) 512-3841 or stephensonj@gao.gov.

ENVIRONMENTAL PROTECTION AGENCY

Problems Persist in Effectively Managing Grants

What GAO Found

EPA faces four key problems in managing its grants: (1) selecting the most qualified grant recipients from a large applicant pool, (2) effectively overseeing grantees throughout the life of the grant, (3) measuring the results of the grantees' work, and (4) effectively managing its grants staff and resources. EPA must resolve these problems in order to improve its management of grants.

In recent years, EPA has taken a series of actions to address two of its key problem areas: grantee oversight and resource management. EPA actions include issuing several oversight policies, conducting training, and developing a new data system for grants management. However, these past actions were not consistently successful in resolving grants management problems because of weaknesses in implementation and insufficient management emphasis. For example, between 1998 and 2002, EPA issued three policies designed to improve oversight of grantees, but EPA staff did not consistently carry them out.

Late in 2002, EPA launched new efforts to address some of its grants management problems. In September 2002, EPA, for the first time, issued a policy to promote competition in awarding grants. In December 2002, it issued a new policy designed to better ensure effective grant oversight. Finally, in April 2003, EPA issued a 5-year grants management plan to address its long-standing grants management problems. GAO is still reviewing these new efforts.

Although EPA's recent actions seem promising, the agency has a long history of undertaking initiatives to improve grants management that have not solved its problems. If the future is to be different from the past, EPA must work to aggressively implement its new policies and its ambitious 5-year plan through a sustained, coordinated effort. It will be particularly important for all agency officials involved in managing grants to be committed to and held accountable for achieving the plan's goals and objectives.