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United States Government Accountability Office
Washington, DC 20548

February 3, 2005

The Honorable James M. Inhofe
Chairman, Committee on Environment
and Public Works
United States Senate

Subject: *Grants Management: EPA Needs to Strengthen Efforts to Provide the Public with Complete and Accurate Information on Grant Opportunities*

Dear Mr. Chairman:

The Environmental Protection Agency (EPA) has faced persistent challenges for many years in managing its grants, which constitute over one-half of the agency's budget, or about \$4 billion annually. Among other things, EPA has been criticized for not always promoting competition in awarding grants, including not completely and accurately announcing grant opportunities to the public and potential applicants. Informing the public about grant opportunities provides greater assurance that EPA will receive proposals from a large and varied pool of eligible and highly qualified applicants who otherwise might not have known about grant opportunities. One avenue EPA uses to inform the public about grant opportunities is the *Catalog of Federal Domestic Assistance* (CFDA), the federal government's listing of available grants and other federal funding opportunities (available at www.CFDA.gov).¹

The CFDA provides the public and potential applicants with specific information about grant opportunities. The CFDA identifies grant programs by title and an identifying number, known as a CFDA program code. Furthermore, EPA uses the CFDA to describe funding priorities—that is, the specific major activities, projects, and/or programs that EPA will fund for certain grant programs; these priorities can change from year to year.² EPA's segment of the CFDA provides information on both discretionary and nondiscretionary grant programs. Discretionary grants are those for which EPA has the legislative authority to independently determine the recipients

¹The General Services Administration and Office of Management and Budget's CFDA is a governmentwide compendium of federal programs, projects, and activities that provide assistance or benefits to the American public. Assistance includes, but is not limited to, financial assistance such as grants and cooperative agreements. For simplicity, we are referring to grants and cooperative agreements as grants. EPA uses other tools for announcing some grant programs, such as the *Federal Register*, and all competitive funding opportunities are announced on www.Grants.gov.

²EPA uses the CFDA to comply with an Office of Management and Budget requirement that federal agencies announce funding priorities for discretionary grants.

and funding levels. Nondiscretionary grants are those that Congress directs to prospective recipients who meet specific eligibility criteria; these grants are often awarded to states on the basis of formulas prescribed by law or agency regulation. Information on nondiscretionary grants is valuable to the public and potential applicants because, in some cases, states receive these grants and local officials can apply to their states for funding from them.

EPA's Office of Grants and Debarment (OGD), among other things, develops grants policy and guidance and compiles grant information for the CFDA. OGD has taken several steps to address criticism regarding the lack of complete and accurate information in the CFDA. Most notably, OGD has revised its annual CFDA guidance to grant officials, emphasizing the need to provide complete and accurate information on grant opportunities.

In this context, you asked us to determine whether EPA is providing complete and accurate information on grant opportunities to the public in the CFDA. To respond to your request, we interviewed and obtained policy, guidance, and other documents from OGD officials. We reviewed EPA's descriptions of the 78 grant programs listed in the August 2004 CFDA to determine if the program descriptions identified funding priorities and funding level estimates. Of these 78 programs, EPA identified 68 as discretionary and 10 as nondiscretionary.³ To verify the accuracy of the information in the CFDA, we obtained data from EPA's Integrated Grants Management System (IGMS), a computer database that OGD uses to manage and report on information about grants; we also conducted a limited data reliability assessment of that system. We reviewed Office of Management and Budget (OMB) Circulars A-102 and A-110, which, among other things, lay out requirements for announcing funding priorities for discretionary grant programs.⁴ We also reviewed GAO and EPA Office of Inspector General reports, the Senate Environment and Public Works majority staff report,⁵ and EPA's response to the Senate report.⁶ We focused our review on EPA program funding priorities, funding levels, and CFDA program codes in the August 2004 CFDA—the most current version at the time of our review—because these elements had been identified as incomplete and inaccurate in the past. We performed our work from September 2004 through January 2005 in accordance with generally accepted government auditing standards.

³The CFDA refers to discretionary grants as “project grants” and nondiscretionary grants as “formula grants.” In addition to these 78 grant programs, one EPA program provided technical assistance but no funding.

⁴OMB Circular No. A-102, *Grants and Cooperative Agreements with State and Local Governments* (10/7/94, as further amended 8/29/97); OMB Circular No. A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations* (11/19/93, as further amended 9/30/99).

⁵Senate Environment and Public Works Committee Majority Staff, *Transparency in EPA Grants: Website Access to Available Grants and Disclosure of Recipients* (Washington, D.C.: May 13, 2004).

⁶U.S. Environmental Protection Agency, Associate Administrator, Office of Congressional and Intergovernmental Relations, correspondence to the Chairman, Senate Committee on Environment and Public Works (Washington, D.C.: June 4, 2004).

Results in Brief

EPA still does not consistently provide complete and accurate information on grant opportunities in the CFDA, according to our analysis of the 78 grant programs listed in the August 2004 CFDA. Without complete and accurate information, potential applicants will not be fully informed about grant opportunities, and EPA may not have the broadest applicant pool from which to select grantees. Specifically, we found problems in the following areas:

- *Funding priorities.* Sixty-two of the 68 discretionary grant programs and all 10 nondiscretionary grant programs did not have clearly identified fiscal year 2004 funding priorities in the August 2004 CFDA. Without these priorities, potential applicants did not benefit from knowing the specific activities, projects, and/or programs for which funding was available in 2004, which could have influenced their decision to apply. OGD did not clearly identify the funding priorities primarily because, beginning in April of fiscal year 2004, it systematically replaced priorities for 2004—which the public would expect to find in the CFDA—with those for 2005. Adding to the inaccuracy of the information presented, OGD did not always label the fiscal year to which the priorities applied. OGD officials explained that the replacement was inadvertent and noted that the 2004 funding priorities were accurate from the start of the fiscal year until OGD replaced them beginning in April 2004. We believe the problem occurred in part because OGD's guidance does not require OGD to include and clearly identify both the current and upcoming fiscal years' funding priorities in the CFDA. In addition, funding priorities were not always clearly identified because EPA program offices did not provide the funding priority information to OGD. In these cases, OGD did not follow its own guidance to ensure that program offices provided complete CFDA program descriptions.
- *Funding level estimates.* For fiscal year 2004, most CFDA program descriptions included funding level estimates, but seven discretionary grants did not. OGD guidance states that financial information must be provided and that it should include funding level estimates. The lack of complete funding information makes it difficult for potential applicants to determine the level of funding available, which could affect their decision to apply. In some of these seven cases, this information was missing because program offices did not provide it to OGD, and OGD took only limited action to obtain it. In other cases, OGD did not designate a single program official to coordinate and develop a funding estimate for grant programs involving multiple program offices; as a result, no consolidated estimate was provided.
- *Miscellaneous CFDA program codes.* EPA has created 31 more program-specific codes, but it continues to list grant opportunities in broad, miscellaneous codes. EPA has been criticized for this practice. The use of these broad codes could make it difficult for potential applicants to find information about specific grants, thereby making the CFDA less useful.

Placing these opportunities in more program-specific codes would better inform the public and potential applicants.

OGD was not aware of the continuing problems with funding priorities and funding levels in the CFDA that we had identified until we brought them to its attention during our review. OGD has begun taking steps to correct the problems we identified. Although OGD had issued CFDA guidance in 2002 on providing complete and accurate information, it had not evaluated the effectiveness of this guidance and its procedures. Periodic evaluation of the effectiveness of guidance and procedures is necessary to ensure that information is complete and accurate.

During the course of our review, we also identified inaccuracies in EPA's IGMS, which OGD uses to generate reports about its grants to the public and the Congress. These inaccuracies could impair EPA's ability to completely and accurately inform the public and the Congress about its \$4 billion annual investment in grants. For example, we found instances in which the IGMS incorrectly identified funding as being awarded under one grant program when the funding should have been identified as being awarded under another grant program. Consequently, the information on funding levels was inaccurate for multiple programs—overstating the amount available in one program and understating it in another. OGD might have detected these problems if it had conducted a comprehensive review of the IGMS's data quality.

We are making recommendations to address EPA's continuing problems on providing complete and accurate information to the public in the CFDA. We are further recommending that EPA conduct a comprehensive, systemwide data quality review of the IGMS.

Background

The CFDA provides the public and potential applicants with specific information about grant opportunities. EPA's segment of the CFDA Web site had about 57,600 "hits" between July 2003 and October 2004. This segment contains 78 grant programs, and for each of these grant programs, EPA specifies its statutory authority, objectives, funding, and contacts for further information, among other things. EPA also requires information on funding priorities for discretionary grants in the CFDA in order to comply with OMB Circulars A-102 and A-110. These circulars require federal agencies to publicly announce funding priorities for discretionary grants.

In 2001, EPA's Inspector General found that competition for discretionary grants was lacking in part because information in the CFDA was not complete and accurate.⁷ For example, EPA had not always (1) identified each program's funding priorities and (2) provided the funding levels available for each program. Furthermore, the Inspector General found that EPA bundled a number of programs under one CFDA program code, 66.606, "Surveys, Studies, Investigations, and Special Purpose Grants," thus making it difficult to find information about specific grant programs. In a 2003

⁷EPA Office of Inspector General, *EPA's Competitive Practices for Assistance Awards*, Report No. 2001-P-00008 (Philadelphia, PA: May 21, 2001).

report, we highlighted the Inspector General's finding that EPA had not provided complete and accurate information on its grants programs to the public in the CFDA.⁸

EPA has taken the following steps to address the Inspector General's findings:

- In 2002, EPA issued an order to promote competition by requiring that certain discretionary grants be competed.⁹ The order promoted the widespread announcement of grants and established requirements for publishing funding opportunities in the CFDA.
- Also in 2002, OGD revised its CFDA guidance to program offices, stating that they must include annual funding priorities in the CFDA.¹⁰ OGD's April 2004 version of this guidance emphasized the need to provide complete and accurate information on grant opportunities in the CFDA.¹¹ OGD guidance also stated that financial information must be included and that it should include funding level estimates for the 2004 fiscal year.
- EPA incorporated into its 2003 grants management plan—which addresses long-standing grants management challenges—the goal of promoting competition by (1) providing guidance to EPA's program offices on how to describe their programs and funding priorities in the CFDA, and (2) expanding public awareness of EPA funding opportunities through accurate and specific CFDA program descriptions to encourage a large and diverse group of grant applicants.¹²
- EPA added 31 CFDA program codes to better identify grants with more program-specific codes in the CFDA.

Most recently, in response to a 2004 report prepared by the Senate Committee on Environment and Public Works' majority staff, EPA stated in June 2004 that the agency had taken steps to resolve these problems.

To obtain information for the CFDA, OGD contacts EPA's program offices in the spring and fall to obtain data on new and updated grant programs. It collects most of this information in the first cycle, which occurs between February and April. By

⁸GAO, *Grants Management: EPA Needs to Strengthen Efforts to Address Persistent Challenges*, [GAO-03-846](#) (Washington, D.C.: Aug. 29, 2003).

⁹The order applied to most discretionary grant programs or individual grants of more than \$75,000.

¹⁰EPA Office of Grants and Debarment, *Memorandum: Preparation and Submission of Catalog of Federal Domestic Assistance Program Information for Update Cycle 2002*, Mar. 3, 2002.

¹¹EPA Office of Grants and Debarment, *Memorandum: Preparation and Submission of Catalog of Federal Domestic Assistance Program Information for Basic Cycle 2004*, Apr. 8, 2004.

¹²U.S. Environmental Protection Agency, *Grants Management Plan: 2003-2008*, EPA-216-R-03-001 (Washington, D.C.: Apr. 2003).

collecting the upcoming year's funding priorities about mid-way through the current fiscal year, EPA announces priorities in advance so that potential applicants can plan accordingly. During the second cycle, which occurs between October and November, EPA asks program offices to identify funding priorities only for new grant programs. OGD guidance requires each program office's senior resource official to approve the upcoming year's funding priorities and states that the official should submit this approval by memorandum to the OGD Director.¹³ This memorandum serves as the official agency record of each program office's annual funding priorities. EPA's Office of the Chief Financial Officer reviews funding level data.

According to OGD officials, they review each grant program description to ensure that it is complete and accurate. OGD provides guidance that OGD officials return information on funding priorities that is not complete and accurate to the program office so that complete information can be entered into the CFDA.

After these reviews, OGD submits the data to the General Services Administration (GSA) for review. According to OGD officials, CFDA analysts at GSA review the information and provide any comments to EPA. GSA then submits each program description to OMB, whose budget examiners review program funding levels and approve the information for the CFDA. GSA then posts the information to the CFDA Web site.

EPA Still Does Not Consistently Provide Complete and Accurate Information to the Public on Grant Opportunities

According to our analysis of the August 2004 CFDA, EPA continues to provide incomplete and inaccurate information on funding priorities and on estimates of funding levels, and continues to obscure information by placing certain grant programs in miscellaneous CFDA program codes. Without complete and accurate information, potential applicants will not be fully informed about grant opportunities, and EPA may not have the broadest applicant pool from which to select grantees. OGD was not aware of the continuing problems until we brought them to its attention during our review because it has not evaluated the effectiveness of its CFDA guidance and its implementation to ensure the accuracy and completeness of the information in the CFDA.

EPA Does Not Consistently Provide Complete and Accurate Information on Funding Priorities

EPA listed 78 grant programs—68 discretionary and 10 nondiscretionary—in the August 2004 CFDA. (See the enclosure for a complete list of these programs.) EPA did not provide complete and accurate information on funding priorities for 62 of the 68 discretionary grants and for the 10 nondiscretionary grants for fiscal year 2004 that it listed in the August 2004 CFDA, as table 1 shows. Without complete and accurate

¹³Senior resource officials are typically deputy assistant administrators in headquarters offices and assistant regional administrators in regional offices, and are in charge of strengthening agencywide fiscal resource management while also ensuring compliance with laws and regulations.

funding priorities, potential grant applicants do not have information on which program areas EPA's offices are considering for grant funding and how applicable and useful their grant proposals would be. Publicly announced priorities also help ensure that EPA will have a broader, more diverse pool of qualified grant applicants from which to choose.

Table 1: EPA Grant Programs Lacking Clearly Identified Funding Priority Information in the August 2004 CFDA for Fiscal Year 2004

Grant type	Number of grant programs	Number of grant programs	
		Lacking clearly identified funding priorities	With clearly identified funding priorities
Discretionary	68	62	6
Nondiscretionary	10	10	0
Total	78	72	6

Source: GAO analysis of CFDA data.

Three factors contributed to the lack of complete and accurate funding priority information for fiscal year 2004 discretionary grants in the August 2004 CFDA. First, for 47 of the 62 discretionary grant programs lacking clearly identified funding priorities, OGD systematically replaced the current year's funding priorities—which the public would expect to find in the CFDA—with the upcoming fiscal year's priorities, and did not identify the fiscal year to which these priorities applied. Without this information, potential applicants did not know the major project, activities and/or programs for which funding was available in 2004, which could have affected their decision to apply for a specific grant. OGD began these replacements in April 2004, as the program offices submitted their CFDA information for fiscal year 2005. OGD officials told us this replacement was inadvertent. Although OGD officials agreed that funding priorities were replaced beginning in April 2004, they noted that funding priorities were complete and accurate from October 2003 until they were replaced. This replacement and labeling problem occurred in part because OGD's guidance does not state that OGD must include and clearly identify the current and upcoming fiscal years' priorities in the CFDA. We believe this problem could be avoided in the future, and potential applicants could benefit, if the guidance required OGD to provide and label such information for both current and upcoming fiscal years.

Second, for 14 of the 62 discretionary grant programs, program offices did not provide information on funding priorities, and OGD did not return CFDA program descriptions that lacked funding priorities to program offices, as specified in OGD's guidance. In some cases, according to an EPA official, OGD sent follow-up e-mails and made telephone inquiries to the program offices. But these efforts did not result in complete information. Consequently, OGD submitted incomplete information for these grant programs in the CFDA.

Third, for 1 of the 62 discretionary grant programs, the program office provided the funding priority, but OGD mistakenly omitted the words "funding priority" from the CFDA program description. As a result, the public and potential applicants would

find it difficult to identify funding priority information in the CFDA for this grant program.

Funding priorities for all 10 nondiscretionary grants in fiscal year 2004 were also incomplete and inaccurate. As it had done with the discretionary grants, OGD replaced the fiscal year 2004 funding priorities with those for fiscal year 2005 beginning in April 2004 and did not identify the fiscal year. OGD officials reiterated that funding priority data were complete and accurate until they were replaced.

In addition, we found that, for five discretionary grant programs, two program offices did not submit the memorandum, as the guidance states they should, from the program offices' senior resource official approving the fiscal year 2005 funding priorities. Consequently, OGD listed these funding priorities in the CFDA without assurance that the information was accurate. For example, EPA's Office of Air and Radiation did not provide a memorandum for the funding priorities it submitted to OGD for four grant programs. Although OGD's guidance states that senior resource officials "must" approve funding priorities, the guidance only states that the senior resource officials "should" provide the memorandum to the OGD Director. However, OGD officials confirmed to us that the memorandum was required and they believed that OGD guidance may not be clear.

Finally, OGD's guidance only states that funding priorities must be provided for discretionary grant programs, but according to OGD officials, funding priorities are required for both discretionary and nondiscretionary grant programs. While the guidance does not state this requirement for nondiscretionary grants, these officials told us that the program offices understood that they had to submit funding priorities for nondiscretionary grants and did so.

EPA Does Not Consistently Provide Information on Funding Level Estimates

For fiscal year 2004, most CFDA program descriptions had funding estimates, but EPA did not include estimated funding levels for 7 of the 68 discretionary grants programs, as table 2 shows. OGD guidance states that financial information must be provided and that it should include funding level estimates. Without complete funding information, potential applicants cannot determine the level of funding available, which could affect their decision to apply.

Table 2: EPA Grant Programs with and without Fiscal Year 2004 Funding Level Estimates in the August 2004 CFDA

Grant type	Number of grant programs	Number of grant programs	
		Without FY 2004 funding level estimates	With FY 2004 funding level estimates
Discretionary	68	7	61
Nondiscretionary	10	0	10
Total	78	7	71

Source: GAO analysis of CFDA data.

Three of the seven program descriptions in the CFDA lacked complete funding information because one program office failed to provide OGD with the estimated funding levels, and OGD did not take the follow-up action its guidance called for to obtain this information from the program. The other four programs lacking funding estimates involved multiple program offices. However, OGD did not designate a single program official to serve as a focal point for reporting a consolidated funding estimate to OGD, and therefore no such funding estimate was presented in the CFDA.

EPA Has Created More Program-Specific Codes But Continues to Use Miscellaneous Program Codes in the CFDA

In 2001, EPA's Inspector General reported that EPA had inappropriately placed program-specific grants under the miscellaneous CFDA program code 66.606, entitled "Surveys, Studies, Investigations, and Special Purpose Grants."¹⁴ By combining multiple grant programs under one miscellaneous, nonspecific program code, EPA makes it difficult for potential applicants to find information about specific grants, thereby making the CFDA's information less useful.

In 2002, OGD issued guidance, which it updates annually, requesting program offices to reduce their use of the 66.606 program code and place grants in more program-specific CFDA program codes. To support this effort, EPA created six new CFDA codes for "Surveys, Studies, Investigations, and Special Purpose Grants": one each for Clean Air (66.034), Safe Drinking Water (66.424), Clean Water (66.436), Office of Research and Development (66.510), Office of Administrator (66.610), and Educational Outreach (66.716). In addition, OGD officials told us that they created another 25 CFDA program codes to better identify grants with specific programs.

At the same time, OGD allowed existing 66.606 grants to continue under this code until this grant funding ended. It also instructed program offices to use the 66.606, program code—"Surveys, Studies, Investigations, and Special Purpose Grants"—for both congressional earmarks and for multi-media grants (i.e., those with more than one statutory authority).

We are concerned by this action for two reasons. First, OGD officials could provide no rationale for why congressional earmarks and multi-media grants should be combined into one program code. The 66.606 CFDA program code therefore continues to be a miscellaneous code. Second, it is inaccurate to describe congressional earmarks only as "Surveys, Studies, Investigations, and Special Purpose Grants"—a term that EPA has traditionally applied to research or similar grants. According to OGD officials, congressionally earmarked EPA grants are not limited to research.

¹⁴EPA Office of Inspector General, *EPA's Competitive Practices for Assistance Awards*, Report No. 2001-P-00008 (Philadelphia, PA: May 21, 2001).

Moreover, in March 2004,¹⁵ we reported that between fiscal years 1993 and 2003, EPA added grants to another broad miscellaneous code—CFDA program code 66.500, “Consolidated Research Grants.” By combining research grants supporting multiple programs into one miscellaneous nonspecific code, EPA obscures information about specific programs, as it does with the use of the code 66.606.

OGD recognizes that it has a continuing problem with the use of miscellaneous CFDA codes. Its 2004 CFDA guidance reiterated to program offices that agency policy is to break up “overly-broad” CFDA program descriptions, including the six codes it has used since 2002 to better specify grants in the 66.606 program code. It has issued similar guidance for the 66.500 program code in 2004.

EPA Has Not Evaluated the Accuracy and Completeness of the CFDA Information

OGD was not aware of continuing errors with funding priorities and funding level estimates in the CFDA until we identified them during our review, but it has begun taking steps to address them. Although OGD issued new guidance in 2002 to address criticisms of the CFDA information, OGD never evaluated the effectiveness of the guidance and its implementation. Periodic evaluation of the effectiveness of guidance and procedures is necessary to ensure that information is complete and accurate. Such an evaluation could have alerted OGD officials to the problems we identified on funding priorities and funding levels in the CFDA and allowed them to take corrective actions.

EPA Has Not Conducted a Comprehensive Data Quality Review of the IGMS

During the course of our review, we also identified inaccuracies in EPA’s Integrated Grants Management System (IGMS), which OGD uses to generate reports on its grant programs to the public and the Congress. The IGMS’s inaccuracies could impair EPA’s ability to accurately and comprehensively inform the public and the Congress about its \$4 billion annual investment in grants.

According to OGD officials, since the IGMS and CFDA report on similar information, the two sources should be consistent. We found, however, that the CFDA and IGMS were not always consistent and that the information extracted from the IGMS could be inaccurate. For example, the IGMS information OGD officials provided to us listed the grant program, State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs (66.471), as having \$5.3 million in discretionary grant funds; the CFDA correctly listed this program as nondiscretionary. When we brought this inconsistency to OGD’s attention, officials explained that they had incorrectly drawn information from the IGMS,¹⁶ thereby incorrectly classifying the program as discretionary.

¹⁵GAO, *Grants Management: EPA Needs to Better Document Its Decisions for Choosing between Grants and Contracts*, [GAO-04-459](#) (Washington, D.C.: Mar. 31, 2004).

¹⁶The IGMS does not label grant programs as discretionary or nondiscretionary; instead OGD had to create definitions of discretionary and nondiscretionary in order to sort the information in the IGMS and extract it.

We also found instances in which the IGMS incorrectly placed funding in one grant program when the funding belonged in a different program. As a result, the IGMS information on funding levels was inaccurate for a number of programs. For example, according to the IGMS, the Air Pollution Control Program Support grant program had about \$471,000 in discretionary grant funds and about \$76 million in nondiscretionary grant funds for fiscal year 2004. However, when we questioned this allocation because of information in the CFDA to the contrary, OGD found that the \$471,000 in discretionary funding belonged in another program. Thus, the IGMS incorrectly overstated funding for the air pollution control support program by \$471,000 and understated the funding for another program by the same amount.

OGD officials acknowledged the problems with inaccurate funding data in the IGMS. They said that in June 2004, after learning that project officers were finding it difficult to link their grants to the appropriate CFDA program codes in the IGMS, they instituted new IGMS controls. OGD added a “dropdown” menu in the IGMS to help staff accurately connect grants to CFDA codes. However, OGD did not correct the data that had been inaccurately entered before June 2004.

OGD has never conducted a comprehensive, systemwide data quality review of the IGMS, despite the importance of the database for reporting on EPA’s \$4 billion annual investment in grants to the public and the Congress. Furthermore, in 2002, EPA issued guidelines for ensuring the quality of information.¹⁷ These guidelines state, among other things, that the agency’s offices assess existing data to verify that they are of sufficient quantity and quality for their intended use. OGD officials have not yet taken the steps identified in these guidelines to ensure IGMS data quality.

Conclusions

OGD has not resolved its long-standing problem of consistently providing complete and accurate information to the public and potential applicants on grant opportunities in the CFDA. While OGD has issued guidance on gathering and presenting correct and accurate information in the CFDA, we found weaknesses in the guidance and OGD’s implementation of it that contributed to the lack of accurate and complete information in the CFDA. Without reviewing the effectiveness of its guidance and implementation, OGD was unable to detect these problems. Until OGD corrects these problems, it will not fully realize its goal of promoting competition in awarding grants by providing complete and accurate information to potential grant applicants.

Furthermore, OGD’s IGMS contains inaccuracies that could impair EPA’s ability to inform the public and the Congress about its \$4 billion annual investment in grants. A comprehensive, systemwide data quality review is necessary to ensure the accuracy of information reported to the public and the Congress.

¹⁷U.S. Environmental Protection Agency Office of Environmental Information, *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by the Environmental Protection Agency*, EPA/260R-02-008 (Oct. 2002).

Recommendations for Executive Action

To address EPA's continuing problems in consistently providing complete and accurate information on grant opportunities to the public in the CFDA, we recommend that the Administrator, EPA require the Director of the Office of Grants and Debarment to

- revise the agency's CFDA guidance to state that
 - both current and upcoming fiscal years' funding priorities be provided and clearly identified for inclusion in the CFDA;
 - information on funding priorities for both discretionary and nondiscretionary grant programs be provided in the CFDA; and
 - senior resource officials provide a memorandum documenting approval of program funding priorities;
- work closely with
 - program offices so that they always provide complete program descriptions, including funding priorities and funding estimates; and
 - senior resource officials to ensure that they provide a memorandum documenting approval of the program's funding priorities;
- continue to work on placing grant opportunities under program-specific codes instead of under miscellaneous codes; and
- periodically evaluate the effectiveness of CFDA guidance and its implementation to ensure that the CFDA contains complete and accurate information.

We further recommend that OGD conduct a comprehensive, systemwide data quality review of the IGMS in order to ensure the accuracy of the information reported from the database to the public and the Congress.

Agency Comments and Our Evaluation

We provided a draft of this report to EPA for its review and comment. The Director of EPA's Office of Grants and Debarment provided oral comments. EPA generally agrees with the recommendations in our draft report. EPA has formed a work group, which will consider the full range of issues we identified regarding both the CFDA and the IGMS. However, EPA did not want to revise its guidance to provide both current and upcoming fiscal years' funding priorities in the CFDA. The Director believes that OGD can best address GAO's concerns by keeping the current year's funding priorities in the CFDA and announcing the upcoming year's funding priorities—possibly later in the CFDA cycle—when EPA can ensure their accuracy.

Although we believe that potential applicants would benefit from having funding priorities announced in advance, we believe that announcing the upcoming year's funding priorities when EPA can ensure their accuracy would meet the intent of our recommendation. The Director is also asking the work group to review various options for managing the entire CFDA process, including when to list the upcoming fiscal year's funding priorities in the CFDA. OGD also provided a number of technical comments, which we incorporated as appropriate.

We will send copies of this report to the congressional committees with jurisdiction over EPA and its activities; the Acting Administrator, EPA; and the Director, Office of Management and Budget. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report or need additional information, please contact me at (202) 512-3841. Key contributors to this report were David Bobruff, Andrea Wamstad Brown, Rebecca Shea, Carol Herrnstadt Shulman, Bruce Skud, and Amy Webbink.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John B. Stephenson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John B. Stephenson
Director, Natural Resources
and Environment

Enclosure

EPA Grant Programs Listed in the CFDA

Tables 3 and 4 present the Environmental Protection Agency’s (EPA) grant programs in the Catalog of Federal Domestic Assistance (CFDA) of discretionary grants (which the CFDA refers to as project grants) and nondiscretionary grants (which the CFDA refers to as formula grants), respectively.

Table 3: EPA Discretionary Grant Programs in August 2004 CFDA

CFDA program code	CFDA program title
66.001	<i>Air Pollution Control Program Support</i>
66.032	<i>State Indoor Radon Grants</i>
66.033	<i>Ozone Transport</i>
66.034	<i>Surveys Studies, Investigations Demonstrations and Special Purpose Activities relating to the Clean Air Act</i>
66.305	<i>Compliance Assistance-Support for Services to the Regulated Community and Other Assistance Providers</i>
66.306	<i>Environmental Justice Collaborative Problem-Solving Grants Program</i>
66.418	<i>Construction Grants for Wastewater Treatment Works</i>
66.424	<i>Surveys, Studies, Demonstrations and Special Purpose Grants - Section 1442 of the Safe Drinking Water Act</i>
66.436	<i>Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(B)(3) of the Clean Water Act</i>
66.437	<i>Long Island Sound Program</i>
66.439	<i>Targeted Watershed Grants</i>
66.456	<i>National Estuary Program</i>
66.461	<i>Wetland Program Grants</i>
66.463	<i>Water Quality Cooperative Agreements</i>
66.466	<i>Chesapeake Bay Program</i>
66.467	<i>Wastewater Operator Training Grant Program (Technical Assistance)</i>
66.469	<i>Great Lakes Program</i>
66.472	<i>Beach Monitoring and Notification Program Implementation Grants</i>
66.473	<i>Direct Implementation Tribal Cooperative Agreements</i>
66.475	<i>Gulf of Mexico Program</i>
66.476	<i>Security Planning Grants For Large Drinking Water Utilities</i>
66.477	<i>Vulnerability Assessments and Related Security Improvements at Large Privately-Owned Community Drinking Water Utilities</i>
66.478	<i>Water Security Training and Technical Assistance</i>
66.500	<i>Environmental Protection - Consolidated Research</i>
66.508	<i>Senior Environmental Employment Program</i>
66.509	<i>Science to Achieve Results (STAR) Program</i>
66.510	<i>Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development</i>
66.511	<i>Office of Research and Development Consolidated Research</i>
66.513	<i>Greater Research Opportunities Fellowship Program</i>
66.514	<i>Science to Achieve Results (STAR) Fellowship Program</i>
66.515	<i>Greater Opportunities Research Program</i>
66.516	<i>P3 Award: National Student Design Competition for Sustainability</i>

Enclosure

CFDA program code	CFDA program title
66.600	<i>Environmental Protection Consolidated Grants-Program Support</i>
66.604	<i>Environmental Justice Hazardous Substances Research Small Grants to Community Groups</i>
66.605	<i>Performance Partnership Grants</i>
66.606	<i>Surveys, Studies, Investigations, and Special Purpose Grants</i>
66.607	<i>Training and Fellowships for the Environmental Protection Agency</i>
66.608	<i>Environmental Information Exchange Network Grant Program</i>
66.609	<i>Protection of Children and Older Adults (Elderly) from Environmental Health Risks</i>
66.610	<i>Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator</i>
66.611	<i>Environmental Policy and Innovation Grants</i>
66.700	<i>Consolidated Pesticide Enforcement Cooperative Agreements</i>
66.701	<i>Toxic Substances Compliance Monitoring Cooperative Agreements</i>
66.707	<i>TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals</i>
66.708	<i>Pollution Prevention Grants Program</i>
66.709	<i>Capacity Building Grants and Cooperative Agreements for States and Tribes</i>
66.714	<i>Pesticide Environmental Stewardship - Regional Grants</i>
66.715	<i>Childhood Blood-Lead Screening and Lead Awareness (Educational) Outreach for Indian Tribes</i>
66.716	<i>Surveys, Studies, Investigations, Training Demonstrations, and Educational Outreach</i>
66.717	<i>Source Reduction Assistance</i>
66.802	<i>Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements</i>
66.804	<i>State and Tribal Underground Storage Tanks Program</i>
66.805	<i>Leaking Underground Storage Tank Trust Fund Program</i>
66.806	<i>Superfund Technical Assistance Grants (TAG) for Community Groups at National Priority List (NPL) Sites</i>
66.808	<i>Solid Waste Management Assistance</i>
66.809	<i>Superfund State and Indian Tribe Core Program Cooperative Agreements</i>
66.810	<i>Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program</i>
66.812	<i>Tribal Hazardous Waste Grants</i>
66.813	<i>Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants</i>
66.814	<i>Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements</i>
66.815	<i>Brownfield Job Training Cooperative Agreements</i>
66.816	<i>Headquarter and Regional Underground Storage Tanks Program</i>
66.817	<i>State and Tribal Response Program Grants</i>
66.818	<i>Brownfields Assessment and Cleanup Cooperative Agreements</i>
66.926	<i>Indian Environmental General Assistance Program (GAP)</i>
66.931	<i>International Financial Assistance Projects Sponsored by the Office of International Affairs</i>
66.950	<i>Environmental Education and Training Program</i>
66.951	<i>Environmental Education Grants</i>

Source: GAO analysis of CFDA data.

Enclosure

Table 4: EPA Nondiscretionary Grant Programs in August 2004 CFDA

CFDA program code	CFDA program title
66.419	Water Pollution Control State and Interstate Program Support
66.432	State Public Water System Supervision
66.433	State Underground Water Source Protection
66.454	Water Quality Management Planning
66.458	Capitalization Grants for Clean Water State Revolving Fund
66.460	Nonpoint Source Implementation Grants
66.468	Capitalization Grants for Drinking Water State Revolving Fund
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs
66.474	Water Protection Grants to the States
66.801	Hazardous Waste Management State Program Support

Source: GAO analysis of CFDA data.

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