



Report to the Honorable  
James M. Inhofe, U.S. Senate

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January 2017

# GRANTS MANAGEMENT

EPA Has Taken Steps  
to Improve  
Competition for  
Discretionary Grants  
but Could Make  
Information More  
Readily Available

# GAO Highlights

Highlights of [GAO-17-161](#), a report to the Honorable James M. Inhofe, U.S. Senate

## Why GAO Did This Study

EPA annually awards hundreds of discretionary grants, totaling about \$500 million. EPA has the discretion to determine grantees and amounts for these grants, which fund a range of activities, from environmental research to wetlands restoration. EPA awards and manages discretionary grants at 10 headquarters program offices and 10 regional offices. Past reviews by GAO and EPA's Inspector General found that EPA has faced challenges managing such grants, including procuring insufficient competition for them and providing incomplete public information about them. GAO was asked to review EPA's management of discretionary grants.

This report examines (1) how EPA manages competition for discretionary grants, (2) how much in discretionary grants EPA provided from fiscal years 2013 through 2015 and to what types of grantees, and (3) the information EPA makes publicly available on discretionary grants. GAO reviewed EPA's competition policy and guidance, examined internal evaluations of grant applications for competitions that were selected partly because they accounted for large portions of discretionary grant dollars, analyzed EPA data as well as information EPA made available on public websites, and interviewed EPA officials.

## What GAO Recommends

GAO recommends that EPA develop clear guidance for tracking grants and determine how to make more complete information on discretionary grants publicly available. EPA agreed with GAO's recommendations.

View [GAO-17-161](#). For more information, contact J. Alfredo Gómez at (202) 512-3841 or [gomezj@gao.gov](mailto:gomezj@gao.gov).

January 2017

## GRANTS MANAGEMENT

# EPA Has Taken Steps to Improve Competition for Discretionary Grants but Could Make Information More Readily Available

## What GAO Found

The Environmental Protection Agency (EPA) manages competition for its discretionary grants through a process established by its competition policy and implemented by its program and regional offices. Under the policy, offices are to advertise discretionary grant opportunities on Grants.gov—a website for federal grant announcements—and may also advertise using other methods, such as trade journals and e-mail lists. The announcements must describe eligibility and evaluation criteria, and the process may be customized to assess (1) all applications against eligibility criteria and (2) eligible applications for merit against evaluation criteria. Under the policy, EPA established a Grants Competition Advocate, a senior official who provides guidance to and oversight of the offices. EPA officials said this position has been key to improving competition for discretionary grants.

From fiscal years 2013 through 2015, EPA provided nearly \$1.5 billion in discretionary grants to about 2,000 unique grantees, with state governments, nonprofits, and Indian tribes receiving the largest shares, according to GAO's analysis of EPA data. Of the \$1.5 billion, \$579 million was for new grants subject to the competition policy, and according to EPA, the agency met its performance target to competitively award at least 90 percent of these new grant dollars or awards annually. Some discretionary grants are not subject to the competition policy for several reasons—for example because they are available by law only to Indian tribes. Of the remaining approximately \$920 million, \$282 million was for new grants not subject to the competition policy, and about \$632 million was for amendments to existing grants, such as for added work.

Publicly available information from EPA about its discretionary grants is neither easy to identify nor complete. For example, different information about the grants, such as dollar amounts, is available at four federal websites; but three of these websites do not have a way to search all the grants, and the fourth cannot identify the grants because EPA does not flag them in its submissions to the website. EPA officials plan to better flag these grants in the future; however, to obtain complete information, users would still have to search several websites containing different parts of this information. Also, GAO found that the unofficial reports EPA makes publicly available on the number of applications received for its grant competitions contain limited information. Moreover, these reports are not current because EPA relies on manual processes to collect the information from its offices, which can cause reporting delays. Further, GAO found that although EPA's internal grants management system has a field for tracking grant types, a lack of clarity in EPA's guidance may contribute to EPA staff's inconsistent use of this field. Consequently, EPA cannot easily identify discretionary grants in its system or collect complete and accurate information on them. EPA is transitioning to a new system that is expected to be operational in 2018 and to provide the capability to collect more timely and complete information. However, EPA officials said they do not have plans to use the new system to improve their publicly available reports, which is inconsistent with effective internal and external communication suggested by federal internal control standards. More complete information could help Congress and other decision makers better monitor EPA's management of discretionary grants.

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## Abbreviations

CFDA	Catalog of Federal Domestic Assistance
EPA	Environmental Protection Agency
GSA	General Services Administration
OGD	Office of Grants and Debarment
OMB	Office of Management and Budget
ORD	Office of Research and Development

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January 23, 2017

The Honorable James M. Inhofe  
United States Senate

Dear Senator Inhofe:

Grants make up almost half of the Environmental Protection Agency's (EPA) budget, or about \$4 billion annually.<sup>1</sup> The majority of EPA grant dollars are awarded noncompetitively through formula grants, with grantees and dollar amounts determined by statute or regulation. Roughly 11 percent of EPA grant dollars, or about \$500 million annually, are awarded through discretionary grants, for which EPA has the discretion to determine grantees and dollar amounts. EPA awards hundreds of discretionary grants competitively (i.e., through a merit-based selection process) and noncompetitively every year, and these grants fund a range of activities, from environmental research and education to wetlands restoration. Our past reviews and those of the EPA Office of Inspector General have found that EPA has faced challenges managing its grants, including discretionary grants.<sup>2</sup> Challenges related to discretionary grants have included insufficient competition for discretionary grant awards and incomplete publicly available information about discretionary grant opportunities. In response to some of these reviews, EPA has taken several actions, including issuing a grants management plan, developing

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<sup>1</sup>EPA provides financial assistance to recipients through various agreements, such as grants and cooperative agreements. With grants, EPA is not expected to have substantial involvement with the recipient in carrying out funded activities; in contrast, with cooperative agreements, EPA is expected to have substantial involvement. For the purposes of this report, we refer to all EPA financial assistance agreements as grants and to all recipients as grantees.

<sup>2</sup>GAO, *Grants Management: EPA Has Made Progress in Grant Reforms but Needs to Address Weaknesses in Implementation and Accountability*, [GAO-06-625](#) (Washington, D.C.: May 12, 2006); GAO, *Grants Management: EPA Needs to Strengthen Efforts to Provide the Public with Complete and Accurate Information on Grant Opportunities*, [GAO-05-149R](#) (Washington, D.C.: Feb. 3, 2005); Environmental Protection Agency, Office of Inspector General, *EPA Needs to Compete More Assistance Agreements*, Report No. 2005-P-00014 (Washington, D.C.: Mar. 31, 2005); and Environmental Protection Agency, Office of Inspector General, *EPA's Competitive Practices for Assistance Awards*, Report No. 2001-P-00008 (Philadelphia, PA: May 21, 2001). See appendix I and Related GAO Products at the end of this report for a list of, respectively, EPA Office of Inspector General reports and our reports identifying challenges EPA has faced with managing discretionary grants.

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and continuing to update a grants competition policy, and beginning to transition to a new internal grants management system.

EPA awards and manages its grants at multiple levels across the agency, including the Office of Grants and Debarment (OGD) in the Office of Administration and Resources Management in headquarters, 10 national program offices in headquarters, and program offices and administrative grants management offices in EPA's 10 regional offices.<sup>3</sup> OGD develops national grant policies and guidance, awards some grants, and oversees EPA's administrative grants management agency-wide. Headquarters program offices implement national policies for their grant programs, and both headquarters program offices and regional offices award and manage discretionary grants, including by providing technical and program-specific oversight of their discretionary grants.<sup>4</sup> EPA is required to provide certain information about the grants it awards to several publicly accessible federal websites.

You asked us to review EPA's management of discretionary grants.<sup>5</sup> This report examines (1) how EPA manages competition for its discretionary grants; (2) how much in discretionary grants EPA provided from fiscal years 2013 through 2015 and to what types of grantees, and how much of that was competitively awarded; and (3) what information EPA makes publicly available on discretionary grants.

To examine how EPA manages competition for its discretionary grants, we reviewed relevant statutes and regulations, EPA's competition policy,

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<sup>3</sup>The 10 national program offices in headquarters are the offices of the Administrator, Administration and Resources Management, Air and Radiation, Chemical Safety and Pollution Prevention, Enforcement and Compliance Assurance, Environmental Information, International and Tribal Affairs, Land and Emergency Management, Research and Development, and Water. The 10 regional offices are Region 1 (Boston), Region 2 (New York City), Region 3 (Philadelphia), Region 4 (Atlanta), Region 5 (Chicago), Region 6 (Dallas), Region 7 (Kansas City), Region 8 (Denver), Region 9 (San Francisco), and Region 10 (Seattle). According to EPA officials, the Office of the Chief Financial Officer also conducts limited grants activity.

<sup>4</sup>For the purposes of this report, we refer to all EPA offices that award or manage grants as program and regional offices.

<sup>5</sup>This review was conducted in response to a 2015 request from Senator James M. Inhofe—then Chairman, Senate Committee on Environment and Public Works—to review EPA's management of discretionary grants.



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and EPA's procedures and guidance for conducting grants competition.<sup>6</sup> We also reviewed internal EPA evaluations, including competition effectiveness reviews from fiscal years 2013 through 2015 and decisions on grant eligibility and evaluation disputes from May 2004 through March 2016, which includes every year EPA has issued these dispute decisions, according to OGD officials. We assessed the extent to which a nongeneralizable sample of competitive discretionary grant announcements met key EPA criteria for preparing such announcements by reviewing the 12 announcements that were active on April 27, 2016, and comparing them with EPA's competition policy and guidance. In addition, we reviewed internal documentation for the eligibility and evaluation criteria reviews for a nongeneralizable sample of five discretionary grant competition opportunities—two opportunities managed by the Office of Research and Development (ORD) and three opportunities managed by the Region 9 Office.<sup>7</sup> We selected these offices, in part, for geographic diversity and because they are responsible for some of the largest portions of discretionary grant dollars and awards among program and regional offices. Our findings cannot be generalized to all EPA discretionary grant competition opportunities, but they do provide us with examples of key steps in EPA's process for managing discretionary grants.

To examine how much in discretionary grants EPA provided and competitively awarded from fiscal years 2013 through 2015 and to what types of grantees, we analyzed EPA internal data on discretionary grants awarded from fiscal years 2013 through 2015, including types of grantees, award amounts, and whether grants were competitively awarded. In response to our data request, EPA obtained these data from its Integrated Grants Management System, as of May 6, 2016. According to EPA, the data could change over time as offices make corrections or adjustments. We also analyzed EPA's available information on the

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<sup>6</sup>Environmental Protection Agency, *Policy for Competition of Assistance Agreements*, Order No. 5700.5A1 (Jan. 11, 2005). The competition policy has been updated several times since 2005, most recently in February 2014. These updates were primarily to clarify certain provisions and update citations, according to OGD officials.

<sup>7</sup>We selected the most recently completed discretionary grant competition opportunities managed by ORD and the Region 9 Office, according to EPA's available information on competitions across all program and regional offices, available at <https://www.epa.gov/grants/policy-competition-assistance-agreements>, as of May 11, 2016. For the two ORD competition opportunities, EPA received a total of 71 applications and made 10 awards, and for the three Region 9 Office competition opportunities, EPA received a total of 84 applications and made 23 awards.

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number of applications received for discretionary grant competition opportunities.

To examine what information EPA makes publicly available on discretionary grants, we reviewed EPA's competition policy. We also reviewed information on four publicly accessible websites—three government-wide websites as well as EPA's public website—for which EPA provides certain grants information, such as opportunities available and dollars awarded. We compared this information with EPA's internal data to assess the extent to which information on EPA discretionary grants was readily available from publicly available sources. We compared the information EPA makes publicly available on discretionary grants with federal standards for internal control to assess the extent to which EPA follows principles for information and communication.<sup>8</sup>

To address all three objectives, we interviewed officials in OGD, ORD, the Region 3 Office, and the Region 9 Office about how they manage and make information publicly available on discretionary grants. To assess the reliability of the data we analyzed, we reviewed database documentation, interviewed EPA officials familiar with the data, and conducted electronic tests of the data, looking for missing values, outliers, or other anomalies. We determined that the data were sufficiently reliable for our purposes. Appendix II contains more detailed information on the objectives, scope, and methodology of our review.

We conducted this performance audit from December 2015 to January 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

This section describes the following general aspects of EPA's management of discretionary grants: (1) types of grants awarded by EPA; (2) EPA's competition policy and grants management plan; (3) new

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<sup>8</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

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discretionary grant awards; and (4) amendments to discretionary grant awards.

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## Types of Grants Awarded by EPA

EPA generally awards three types of grants that are authorized by statutes and regulations.

- **Formula grants.** EPA awards formula grants noncompetitively to states in amounts based on formulas prescribed by law to support water infrastructure projects, among other things. For example, EPA awards formula grants from the Clean Water and Drinking Water State Revolving Funds to support water treatment facility construction and improvements to drinking water systems, such as pipelines and drinking water filtration plants.
- **Categorical grants.** EPA generally awards categorical grants—which it also refers to as continuing environmental program grants—noncompetitively, mostly to states and Indian tribes to operate environmental programs that they are authorized by statute to implement. For example, under the Clean Water Act, states and tribes can establish and operate programs for the prevention and control of surface water and groundwater pollution. EPA determines the amount each grantee receives for a categorical grant on the basis of agency-developed formulas or program-specific factors.
- **Discretionary grants.** EPA awards discretionary grants—competitively or noncompetitively—to eligible applicants for specific projects, with program and regional offices selecting grantees and determining dollar amounts.<sup>9</sup> Also, for some discretionary grants, EPA negotiates work plans, which include estimated time frames and dollar amounts for activities under the grant. EPA awards these grants for a variety of activities, such as environmental research, training, providing education programs, and cleaning up brownfields.<sup>10</sup> The respective grant programs under each program and regional office generally have varied focuses. According to OGD officials, EPA has historically held roughly 100 to 125 discretionary grant competitions

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<sup>9</sup>Some discretionary grants, such as the Pollution Prevention and Wetland Program Development Grants, have characteristics of categorical grants.

<sup>10</sup>Brownfields are properties that may have hazardous substances, pollutants, or contaminants present.

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annually.<sup>11</sup> Appendix III lists EPA's 67 active discretionary grant programs, including the program or regional office responsible for managing each one.

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## EPA's Competition Policy and Grants Management Plan

EPA's competition policy establishes parameters for the competition of discretionary grants. The competition policy states that it is EPA policy to promote competition to the maximum extent practicable in the award of grants. Further, it states that EPA policy requires that the competitive process be fair and impartial, that all applicants be evaluated only on the criteria stated in the grant announcement, and that no applicant receive an unfair competitive advantage. In 2002, EPA developed its first competition policy, which created OGD's Grants Competition Advocate, who is the senior official responsible for administering and overseeing implementation of, and compliance with, the policy and issuing guidance for its implementation. EPA made substantial revisions to the policy in 2005, including by establishing detailed justifications for awarding grants noncompetitively, and has continued to periodically update and revise it, as necessary.

In 2003, EPA issued its first grants management plan, which included goals such as strengthening grants oversight and promoting competition in the award of grants.<sup>12</sup> The plan established a variety of performance targets, including competitively awarding at least 85 percent of new awards subject to EPA's competition policy annually by 2005. In a 2009 update to the plan, EPA modified the target to competitively award at least 90 percent of new awards or dollars subject to the competition policy annually, and this performance measure remained in the 2016 plan update. EPA reports progress on this target annually in its agency financial report.<sup>13</sup>

The management of EPA discretionary grants is subject—as are all stages of the federal grants life cycle—to a range of requirements derived

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<sup>11</sup>EPA is required by statute to competitively award some grants, such as the brownfield program. The Federal Grant and Cooperative Agreement Act encourages but does not require federal agencies to award grants competitively.

<sup>12</sup>Environmental Protection Agency, *Grants Management Plan, 2003-2008*, EPA-216-R-03-001 (Washington, D.C.: April 2003).

<sup>13</sup>EPA produces an annual agency financial report pursuant to the Chief Financial Officers Act of 1990 and Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*.

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from a combination of Office of Management and Budget (OMB) guidance, agency regulations, and program-specific statutes. OMB is responsible for developing government-wide policies to ensure that grants are managed properly. Until recently, OMB's policies were published as guidance in various circulars that grant-making agencies would adopt into their own regulations. In December 2013, OMB consolidated its grants management circulars into a single document, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (known as the Uniform Guidance), to streamline its guidance, promote consistency among grantees, and reduce administrative burden on nonfederal entities.<sup>14</sup> In December 2014, along with EPA and other federal grant-making agencies, OMB issued a joint interim final rule implementing the Uniform Guidance for new awards made on or after December 26, 2014.<sup>15</sup>

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## New Discretionary Grant Awards

### Open and Simplified Competitions

Under its competition policy, EPA generally awards new discretionary grants competitively in two ways.

- **Open competition.** Open competitions are available to all potentially eligible applicants identified in the Catalog of Federal Domestic Assistance (CFDA) description for a particular grant program.<sup>16</sup> According to the competition policy, open competition is EPA's

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<sup>14</sup>78 Fed. Reg. 78,590 (Dec. 26, 2013) (codified at 2 C.F.R. pt. 200). The Uniform Guidance consolidated eight OMB grants management circulars, including A–21, *Cost Principles for Educational Institutions*; A–50, *Audit Follow-up*; A–87, *Cost Principles for State, Local and Indian Tribal Governments*; A–89, *Federal Domestic Assistance Program Information*; A–102, *Grants and Cooperative Agreements with State and Local Governments*; A–110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*; A–122, *Cost Principles for Non-Profit Organizations*; and A–133, *Audits of States, Local Governments and Non-Profit Organizations*.

<sup>15</sup>OMB issued an advance notice of proposed guidance in February 2012 and proposed the Uniform Guidance in February 2013. 77 Fed. Reg. 11,778 (Feb. 28, 2012); 78 Fed. Reg. 7,282 (Feb. 1, 2013). The final guidance issued in December 2014 responded to comments the public had submitted on the proposed Uniform Guidance. 79 Fed. Reg. 75,871 (Dec. 19, 2014).

<sup>16</sup>CFDA is the single authoritative, government-wide compendium and source document for descriptions of federal programs that provide assistance or benefits to the American public and is maintained by the General Services Administration (GSA).

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preferred method of competition and is required when the estimated total amount of awards under a competition—regardless of the amount of any individual awards—exceeds \$100,000, unless the grant is an exception to or an exemption from competition (discussed below).

- **Simplified competition.** Simplified competitions are available to a subset of the potentially eligible applicants identified in the CFDA description, as long as EPA determines that they are capable and qualified to successfully perform the project. Simplified competition may only be used when the CFDA description indicates that EPA may limit eligibility to compete to a number or subset of eligible applicants. The competition policy states that, when the estimated total amount expected to be awarded does not exceed \$100,000, open competition is preferred, but simplified competition is permitted. According to the competition policy, simplified competition is intended to reduce administrative costs, promote efficiency in competitions, and minimize burdens for program and regional offices and applicants in conducting and competing for grants for which a limited amount of funding is available.

## Exceptions to Competition

Under its competition policy, EPA may award new discretionary grants noncompetitively as exceptions to competition under any one of the following circumstances:

- when an award is \$25,000 or less;
- when a program or regional office demonstrates that there is only one responsible source that has the capability to successfully perform a project because of such reasons as possessing proprietary data or unique or specialized equipment or facilities;<sup>17</sup>
- when an award cannot be delayed because of unusual and compelling urgency or the interests of national security;
- when an award is to fund an unsolicited proposal that is unique or innovative, has been independently originated and developed by the applicant, was prepared without government direction or involvement,

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<sup>17</sup>EPA's competition policy states that demonstrating a source is the "best" qualified or capable source to perform the project, the most "appropriate" source to perform the project, or has successfully performed similar projects in the past, does not by itself support a one responsible source determination.

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## Exemptions from Competition

and does not resemble the substance of a pending or contemplated competitive grant;<sup>18</sup> or

- when EPA determines that competition is not in the public interest.

Many EPA grant programs are exempt from competition and, thus, are not subject to the competition policy. Exemptions from competition are made for the following groups of grant programs, which include some discretionary grants:

- grants to states, interstate agencies, local agencies, Indian tribes, intertribal consortia, and other eligible grantees under a variety of programs, including the Leaking Underground Storage Tank Trust Fund Cooperative Agreements, Oil Spill Trust Fund grants, and awards under any program that has a statutory or regulatory allotment or allocation funding formula;
- other programs available by statute, appropriation act, or regulation only to Indian tribes and intertribal consortia;
- grants required or authorized by law, executive order, or international agreement to be made to an identified grantee(s) in order to perform a specific project, and congressional earmarks to an identified grantee(s) to the extent consistent with any applicable executive orders and any other government-wide laws or guidance relating to earmarks;
- Senior Environmental Employment Program Cooperative Agreements;
- grants to foreign governments and to United Nations agencies and similar international organizations for international environmental activities;<sup>19</sup> and
- other programs if approved by the Assistant Administrator for the Office of Administration and Resources Management.

Appendix III provides information on the EPA discretionary grant programs that have an exemption from competition.

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<sup>18</sup>EPA's competition policy states that no EPA employee may take action to directly or indirectly encourage the submission of unsolicited proposals.

<sup>19</sup>EPA's competition policy states that awards to nongovernmental international organizations are not covered by this exemption.

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## Amendments to Discretionary Grant Awards

EPA's competition policy describes provisions for making amendments to discretionary grants depending in part on whether the grant was disbursed over time and also whether it was subject to the competition policy. EPA generally makes four types of amendments to discretionary grants.

- **No-cost amendments.** No-cost amendments are for time extensions or to authorize spending unexpended funds on additional activities within the scope of the original grant. No-cost amendments do not provide additional dollars and are not required to be awarded competitively.
- **Incremental amendments.** Incremental amendments are for funding a grant over time, instead of funding the grant in a one-time lump sum. Incremental amendments are not required to be awarded competitively, as long as the work is within the scope of the original grant. Incremental amendments can only be funded up to the approved amount of the original grant, which may or may not have been awarded competitively.
- **Supplemental amendments.** Supplemental amendments are for additional dollars for unanticipated cost increases or for added work to grants awarded competitively or as exceptions to competition. Supplemental amendments for unanticipated cost increases are not required to be awarded competitively if they do not involve added work. Supplemental amendments for added work up to \$25,000 (in the aggregate per grant) are not required to be awarded competitively if the work is within the scope of the original grant. Supplemental amendments for added work exceeding \$25,000 (in the aggregate per grant) must be awarded competitively, unless the program or regional office demonstrates that the work is within scope of the original grant and only the grantee can perform it in a cost-effective manner.
- **Amendments to exempt awards.** Amendments to exempt awards are for any amendment to a grant awarded under an exemption from competition. While amendments to exempt awards may serve purposes similar to those of incremental and supplemental amendments, they constitute a separate category of amendments. Like the original award, amendments to exempt awards are not subject to the competition policy.



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## EPA Manages Competition for Its Discretionary Grants through a Process Established by Its Competition Policy and Implemented by Program and Regional Offices

EPA manages competition for its discretionary grants through a process established by its competition policy and implemented by its program and regional offices, which fund activities related to their own programmatic focuses. Under the competition policy, program and regional offices are to advertise discretionary grant opportunities through announcements on Grants.gov and other methods as appropriate; evaluate all applications against eligibility criteria and all eligible applications against evaluation criteria; and award grants.<sup>20</sup> Under the competition policy, the Grants Competition Advocate's Office in OGD is responsible for providing ongoing guidance and oversight for program and regional offices.

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### EPA's Competition Policy Establishes a Process That Includes Advertising Grant Opportunities, Evaluating Applications, and Awarding Grants

#### Advertising Grant Opportunities

Under EPA's competition policy, program and regional offices are to advertise open competition opportunities on both EPA's website and Grants.gov.<sup>21</sup> The competition policy allows program and regional offices to also advertise discretionary grant opportunities using other methods reasonably calculated to ensure the notification of all potentially eligible applicants, including newsletters, trade journals, newspapers, and email lists. While open discretionary grant opportunities can be found on both

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<sup>20</sup>The Uniform Guidance directs EPA and other federal grant-making agencies to post competitive grant opportunities on a government-wide website for finding and applying for federal financial assistance. Grants.gov is the publicly accessible, searchable, government-wide website managed by the Department of Health and Human Services that serves as the central repository and clearinghouse for over 1,000 grant programs funded by 26 federal grant-making agencies. Grants.gov was established in response to the Federal Financial Assistance Management Improvement Act of 1999, which requires the Director of OMB to direct, coordinate, and assist federal agencies in establishing a common system where, among other things, nonfederal entities can apply for federal financial assistance. Pub. L. No. 106-107, 113 Stat. 1486 (1999) (classified at 31 U.S.C. § 6101 Note). Grants.gov can be accessed at <http://www.grants.gov/>.

<sup>21</sup>Competitive discretionary grant opportunities can be accessed on EPA's website at <https://www.epa.gov/grants/open-announcements-competitive-grant-opportunities>.

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Grants.gov and EPA's website, initial applications for competitively awarded discretionary grants must be submitted using Grants.gov, according to EPA policy. Eligible applicants may apply for and receive multiple discretionary grant awards unless prohibited by the authorizing law for a particular grant or the terms of a particular grant opportunity.

According to the competition policy, simplified competition opportunities are not advertised on Grants.gov and, instead, must be issued directly to the competing applicants by the relevant program or regional office. According to the competition policy, if one award is expected, the simplified competition opportunity must be issued to at least three eligible organizations. If multiple awards are expected, simplified competition opportunities must be issued to at least twice as many eligible organizations as are expected to receive awards. Any organization expressing an interest must be allowed to participate in a simplified competition opportunity. Program and regional offices must document how they determine the field of competing applicants and, if conducting multiple simplified competitions, must vary the field of competing applicants for each opportunity.

The competition policy states that program and regional offices are responsible for preparing all announcements for open and simplified competition opportunities in accordance with the Uniform Guidance, other OMB guidance, and guidance from the Grants Competition Advocate. According to the competition policy and the Uniform Guidance, all announcements must include the following eight sections:

1. funding opportunity description, including the programmatic and technical description with authorizing statutes and regulations and clear examples of eligible activities;
2. award information, including information about the expected number of awards and award amounts;
3. eligibility information, including information identifying the applicants eligible to compete for awards and specific eligibility criteria;
4. application and submission information, including a description of the required content and format of the application and instructions on how to apply;
5. application review information, including specific ranking and evaluation criteria and the relative importance assigned to them, such as relative points, weights, percentages, or other means used to distinguish them;

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6. award administration information, including notice to applicants of EPA's disputes procedures and other pertinent administrative information;
  7. agency contacts, including a point of contact for answering questions about the announcement; and
  8. other information, including any additional information that may be helpful to applicants.

## Evaluating Applications

Under EPA's competition policy, program and regional offices are to use an objective and unbiased process for reviewing competitive discretionary grant applications and selecting applicants for awards. According to the competition policy, this process requires a comprehensive, impartial, and objective examination of applications based on criteria in the announcement by persons who do not have conflicts of interest and who are knowledgeable in the field for which awards are being made. To achieve such an examination, the competition policy established a two-step process to evaluate competitive discretionary grant applications: (1) review and assess all applications against eligibility criteria, and (2) review and assess eligible applications for technical merit against evaluation criteria. All reviewers must sign conflict of interest statements.

The competition policy states that applications must typically meet eligibility criteria before being considered eligible and reviewed for merit under the evaluation criteria. Eligibility criteria must be specified in the announcement and, according to EPA documents, typically include whether the applicant meets criteria specified in a grant program's authorizing statutes or regulations and the CFDA description. According to EPA documents, eligibility criteria also typically include whether the application addresses program priorities, requests an allowed amount, complies with instructions, meets geographical restrictions, and is submitted on time. According to OGD officials, these eligibility criteria are largely yes/no determinations.

Eligible applications are to be reviewed for technical merit against an announcement's evaluation criteria. These criteria vary by competition opportunity but typically include project activities and methods, past performance, and environmental results, according to EPA documents. According to the competition policy, the evaluation criteria must be tailored to the nature of the projects being awarded competitively, represent key areas of importance and emphasis to be considered in the selection process, and support meaningful and fair comparisons of competing applicants. To ensure that applications are fairly and

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objectively assessed against the evaluation criteria, program and regional offices must use a scoring method that assigns numerical weights or points, descriptive ratings (e.g., acceptable, good, outstanding), a low-medium-high rating system, or something similar to each of the evaluation criteria, which may then be used to determine a total, average, or consensus score for each application. Evaluation criteria reviewers comprise a review panel, and each reviewer must complete a scoresheet and include comments explaining reasons for the score assigned.

## Awarding Grants

EPA divides responsibility for awarding discretionary grants among different officials—a selection, approval, and award official—to ensure independence and provide checks and balances. Following the process for evaluating applications, the review panel provides the selection official a list of eligible applications ranked according to their scores.<sup>22</sup> The selection official then makes a funding recommendation—multiple applications may be recommended for funding—that is based on the scores assigned and other factors, as allowed under the terms of the announcement. According to OGD officials, the selection official’s primary responsibility is to assure that the applications selected for award are for eligible projects with technical merit, based on the terms of the announcement. According to the competition policy, if the selection official selects an application out of the ranked order, the program or regional office must document the basis for that decision. The competition policy states that the selection official cannot depart from the rankings of the review panel on the basis of undisclosed selection criteria, personal preference, or information that is not reasonably related to the evaluation factors in the announcement. The approval official, a senior manager in the respective program or regional office, is responsible for signing the funding recommendation and may be the same person as the selection official.

The competition policy directs the selection official to prepare a selection rationale document—to be included in or attached to the funding recommendation—that includes a summary of the competition, a discussion of how the recommended applications ranked in comparison with other applications, and an explanation of why the applications were selected to receive an award. According to EPA documents, after reviewing the funding recommendation, the award official has the

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<sup>22</sup>According to OGD officials, the selection official is typically an upper-level management official within the respective program or regional office.

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authority to obligate funds and make awards.<sup>23</sup> Depending on the office, the officials serving in the capacity of the selection and award officials can vary; however, the selection official generally has subject-matter knowledge of a particular grant program, and the award official generally has knowledge of grants management.

According to EPA documents we reviewed and officials we spoke with, before an award is made, the program or regional office conducts a final review that includes verification of applicants' eligibility and assurance that all award requirements are met. Once the award official obligates the funds, all awards enter a 5-day congressional waiting period, during which EPA notifies the applicants' respective congressional delegations so they have an opportunity to track the awards, according to OGD officials. Awards of \$1 million or more include an additional 5-day White House notification before the funds are obligated. Following the waiting periods, EPA sends an award agreement to the grantee electronically, at which time the grantee can begin using the funds.

The competition policy includes procedures for providing applicants timely feedback about the process for evaluating applications and awarding grants. These procedures are also aimed at providing an efficient, effective, and meaningful dispute resolution process for certain competition determinations. The policy states that disputes and disagreements must be resolved at the lowest level possible, and it establishes three key opportunities to do so.

- **Notification.** Within 15 days of an ineligibility determination or a negative selection decision, program and regional offices must provide applicants with a written explanation of why they were either determined ineligible or not selected. The notification must indicate that applicants may request a debriefing on the basis for these determinations.
- **Debriefing.** Debriefings may be oral (e.g., face-to-face or by telephone) or in writing, although the competition policy states that oral debriefings are strongly preferred because they provide a better opportunity to resolve issues quickly. During debriefings, program and regional offices may answer questions and provide applicants with information on the strengths and weaknesses of their applications and

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<sup>23</sup>The award official may be a program or regional office's respective Grants Management Officer or Assistant Regional Administrator. According to EPA policy, the approval official generally may not also be the award official.

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the basis for their scores. All debriefings must be conducted promptly so that applicants have an opportunity to either re-enter the competition if they successfully challenge the determination during the debriefing or file a written dispute.

- **Filing a dispute.** After receiving a debriefing, applicants may file a written dispute with a designated Grants Competition Disputes Decision Official, who cannot be involved in the competition process and must be from outside the program office conducting the competition. Disputes are required to be considered only when they challenge a determination that the application (1) is ineligible based on the applicable statute, regulation, or announcement requirements or (2) did not meet eligibility criteria in the announcement.<sup>24</sup> After consulting with the Grants Competition Advocate and with the concurrence of EPA's Office of General Counsel or regional counsel, as appropriate, the Grants Competition Disputes Decision Official is to issue a written decision on the dispute, which constitutes the final agency action.

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## EPA's Program and Regional Offices Implement the Process According to the Unique Circumstances of Each Grant Program

Program and regional offices implement EPA's process for advertising, evaluating, and awarding discretionary grants according to the unique circumstances of each grant program. While the competition policy states that open grant opportunity announcements must be advertised on Grants.gov and EPA's website and must include key information required by OMB guidance and EPA policy, such as expected award amounts and eligibility and evaluation criteria, the actual content of these announcements is the responsibility of the respective program or regional office that issues them, according to OGD officials. In addition to advertising grant opportunities on Grants.gov and EPA's website, program and regional offices also advertise some open opportunities using supplemental methods. OGD officials stated that program and regional offices have discretion over whether to use other supplemental methods to advertise grant opportunities. For example, 7 of the 12 active grant opportunities available on Grants.gov on April 27, 2016, and prepared by nine different program and regional offices were advertised using supplemental methods, according to OGD officials. Three of these were advertised via a combination of webinars, press releases, and other

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<sup>24</sup>According to the competition policy, the Grants Competition Disputes Decision Official may consider any dispute for good cause shown and where there are compelling reasons, or where the official determines that the dispute raises issues of widespread interest to the grants community but must invoke this discretion sparingly.

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regional outreach; three others via a listserv in combination with Twitter, email groups, or newsletter notifications; and the seventh via an email announcing the opportunity to existing grantees.

According to the competition policy, program and regional offices may identify applicants for simplified competition on the basis of prior history and experience with the applicant or expressions of interest by potentially eligible applicants. OGD officials told us that program and regional offices rarely use simplified competitions because EPA's preferred method is open competition and the administrative work in preparing an announcement for simplified competition is comparable to that for open competitions. However, OGD officials said the review process for simplified competitions may be shorter than that for open competitions because it involves fewer applications to review.

Exceptions to competition are not advertised, and program and regional offices are responsible for determining whether to make exceptions to competition on an award-by-award basis. The competition policy states that program and regional offices must provide written justification for exceptions to competition, except those for \$25,000 or less, and that the justification must contain sufficient facts and rationale, including statutory or regulatory authority for the award. Depending on the type of exception, the justification is to be approved in writing by the lead agency official responsible for a particular grant, or the lead agency official's designee.<sup>25</sup> According to the competition policy, the Grants Competition Advocate is responsible for approving justifications for several, but not all, types of exceptions.

Program and regional offices may customize EPA's two-step process for evaluating applications. The competition policy directs program and regional offices, in most cases, to establish a panel of reviewers for evaluating applications and specifies that reviewers must independently review applications in accordance with the criteria stated in the announcement. OGD officials stated that program and regional offices typically have one person perform the eligibility review, in consultation with EPA legal staff if necessary, and a panel of different people reviews applications against the evaluation criteria. These officials said that the eligibility reviewer may be someone from the program or regional office

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<sup>25</sup>According to the competition policy, "lead agency official" means the Assistant Administrator; Regional Administrator; or, for purposes of the Office of the Administrator, the Deputy Chief of Staff or equivalent official responsible for a grant or program.

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but that evaluation panels are usually composed of technical and subject-matter experts who are typically EPA staff, although some programs may use other federal or nonfederal reviewers. According to OGD guidance, program and regional offices are to prepare reviewer instructions and brief reviewers on their responsibilities, including providing guidance on the scoring process so that all reviewers are operating under a common framework.

OGD officials told us that program and regional offices have flexibility to design the scoring approach for evaluation criteria they believe is best suited for their competition opportunity. They stated that, although most offices use a weighted 100-point scale, some use other approaches. For example, ORD uses an external peer-review process to evaluate eligible applications, and the scores are based on descriptive ratings (e.g., poor, fair, good, very good, excellent), which are then used to determine applications to forward to an internal EPA review panel. According to EPA documents, the agency occasionally receives a group of applications that all receive low scores; in these cases, EPA may not make any awards because, according to OGD officials, there are no proposals worth funding.

In May 2006, we reported that, before 2002 EPA did not extensively award grants competitively or provide widespread notification of upcoming grant opportunities.<sup>26</sup> We further reported that the 2002 competition policy represented a major cultural shift for EPA managers and staff, requiring EPA staff to take a more planned, rigorous approach to awarding grants. OGD officials told us that creating and implementing the agency's competition policy in 2002, continuing to update the policy, and creating the Grants Competition Advocate were several steps taken to improve EPA's grants competition process in response to past congressional reviews and assessments of the process by OMB, EPA's Office of Inspector General, and us. According to these officials and EPA documents, other steps included developing EPA's competition performance targets and substantially revising the competition policy in 2005, for example by imposing more rigorous review for exceptions to competition and enhancing the necessary documentation staff had to submit.

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<sup>26</sup>[GAO-06-625](#).



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## EPA's Grants Competition Advocate's Office Provides Ongoing Guidance and Oversight for Program and Regional Offices

The competition policy allowed for the establishment of the Grants Competition Advocate, the senior official responsible for interpreting and administering the competition policy and for providing ongoing guidance and oversight for program and regional offices. The Grants Competition Advocate oversees a small staff, and together they comprise the Grants Competition Advocate's Office. According to OGD officials and information on EPA's website, the Grants Competition Advocate's Office administers and oversees the competition policy and provides advice and support to program and regional offices on matters related to awarding grants competitively. OGD officials told us that creating the Grants Competition Advocate as a senior-level position was the agency's key action taken under the original competition policy, among several steps taken, to improve EPA's grants competition process in response to past reports and reviews.

The competition policy states that program and regional offices are responsible for complying with guidance issued by the Grants Competition Advocate. Among other things, such guidance directs program and regional offices to

- document that individuals involved in the competition, evaluation, and selection of grants do not have any conflicts of interest;
- use exceptions to and exemptions from competition only under proper and appropriate circumstances and prepare adequate and defensible justifications for noncompetitive awards, many of which must be reviewed and approved by the Grants Competition Advocate;
- ensure that funding recommendations and award decisions contain selection justification documents required by the competition policy; and
- provide the Grants Competition Advocate with information, as requested, pertaining to competitions conducted.

According to EPA documents we reviewed and OGD officials we spoke with, the Grants Competition Advocate's Office provides support to program and regional offices in several ways.

- **Training and guidance.** The competition policy directs the Grants Competition Advocate to coordinate training to help program and regional offices implement the policy and make recommendations and take actions necessary to maintain, facilitate, promote, and enhance the policy, such as by providing guidance. For example, according to OGD officials, the Grants Competition Advocate's Office provides

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ongoing guidance for program and regional offices via training, intranet sites, group emails, and in-person consultations. This guidance includes an intranet checklist for preparing announcements that meet the competition policy and Uniform Guidance. According to OGD officials, EPA's competitive discretionary grant announcements have become more consistent, reliable, and of better quality in recent years as program and regional offices have become more familiar with the guidance, including the checklist, and begun consulting the Grants Competition Advocate's Office as they prepare new announcements.

- **Announcement reviews.** According to EPA documents and OGD officials and in accordance with the competition policy, the Grants Competition Advocate and Office of General Counsel review and concur on all announcements for \$1.5 million or more before they are posted to ensure compliance with requirements and for quality control. In addition, every year, according to OGD officials, program and regional offices send the Grants Competition Advocate's Office about 10 to 12 justifications for exceptions to competition for review or approval. Further according to EPA, depending on workload and other considerations, the Grants Competition Advocate's Office and agency attorneys review many announcements under \$1.5 million. OGD officials stated that most EPA competitive discretionary grant announcements, and nearly every justification request for exceptions to competition, are reviewed to some extent by the Grants Competition Advocate's Office or agency attorneys before they are made available to the public or finalized.
- **Effectiveness reviews.** The Grants Competition Advocate's Office conducts annual competition effectiveness reviews of a small sample of discretionary grant competitions to ensure that they were conducted in accordance with the competition policy, according to OGD officials. The office selects a single competition opportunity for review from every office that conducts competitions, alternating annually between headquarters and regional offices. According to officials from the Grants Competition Advocate's Office, the main methodology for making each selection is to pick a competition opportunity where awards have been made and that has not been reviewed recently. The officials stated that they also try to avoid picking competition opportunities with the same subject matter in consecutive years, but that this can be challenging when selecting competition opportunities from the regional offices because they generally offer fewer competition opportunities than headquarters offices. In its competition effectiveness reviews from fiscal years 2013 through 2015, EPA found that the competitions were generally being

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conducted in accordance with the competition policy and that most offices had made improvements, such as in ensuring reviewers documented their evaluations properly. EPA also made several recommendations in these reviews, such as that offices confirm all reviewers sign conflict-of-interest statements and that review panel chairs advise reviewers to provide detailed comments justifying their scores.

The Grants Competition Advocate's Office also provides support to applicants, according to EPA documents and OGD officials. OGD offers a website on understanding, managing, and applying for EPA grants that includes various applicant resources, such as guidance and training, including a tutorial on applying for grants.<sup>27</sup> In addition, according to OGD officials, the Grants Competition Advocate's Office conducts webinars quarterly and posts them online to explain EPA's grant competition process and to answer questions from the public. OGD also offers an annual forecast to highlight competition opportunities of interest to certain community-based organizations, such as small organizations, according to EPA documents and officials.

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### EPA Generally Followed Its Process for the Selected Grant Announcements and Competition Opportunities Reviewed

EPA generally followed its process for advertising grant opportunities for the 12 announcements we reviewed and for evaluating and selecting applications to fund for the 5 discretionary grant competition opportunities we reviewed. To assess how EPA has advertised grant opportunities, we selected all of the 12 active EPA grant announcements, prepared by nine different program and regional offices, that were available on Grants.gov on April 27, 2016, and checked the extent to which these announcements included elements that the competition policy and OGD's checklist for preparing announcements direct them to include.<sup>28</sup> In general, we found

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<sup>27</sup>This information is available at <https://www.epa.gov/grants>.

<sup>28</sup>The 12 announcements were EPA-R9-SFBWQIF-16-01, San Francisco Bay Water Quality Improvement Fund, FY2016; EPA-R10-PS-2016-001, Puget Sound Action Agenda—Management Conference Support for Implementation Strategies and Additional Activities; EPA-OAR-OAQPS-16-03, 2016 Targeted Air Shed Grant Program; EPA-HQ-OPPT-2016-003, FY 2016 and FY 2017 Source Reduction Assistance Grant Program; EPA-R5-WPDG-2016, FY16 Region 05 Wetland Program Development Grants; EPA-REG08-16-01, FY16 and FY17 Region 08 Wetland Program Development Grants; EPA-HQ-OPPT-2016-001, FY 2016 and FY 2017 Pollution Prevention Information Network (PPIN) Grants Program; EPA-R7WWPD-16-01, FY16 Region 7 Wetland Program Development Grants; EPA-EE-16-02, Environmental Education Training Program; EPA-REG04-16-02, FY16 Region IV Wetland Program Development Grants; EPA-HQ-OPPT-2016-002, FY 2016 and FY 2017 Pollution Prevention Grant Program; and EPA-R4-16-UWPCA-01, Urban Waters Proctor Creek Ambassador.

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that the majority of the elements were included in each announcement, with a few discrepancies and minor errors, mostly involving elements being located in the wrong place in the announcement.

To assess how EPA has evaluated and selected applications to fund, we reviewed internal documentation for the eligibility and evaluation criteria reviews for a nongeneralizable sample of five discretionary grant competition opportunities—two opportunities managed by ORD and three opportunities managed by the Region 9 Office. Our review found complete documentation for key steps, including signed conflict-of-interest statements, reviewer instructions, eligibility reviews, reviewer scoresheets, and reviewer comments. In addition, the funding recommendations for each competition opportunity included such key information as a summary of the competition, a discussion of application rankings, and an explanation of why applications were selected for funding.

In addition, to assess the prevalence of formal disputes over determinations resulting from EPA's process, we reviewed the Grants Competition Advocate Office's dispute decision matrix, which includes summary information on all formal disputes. Overall, EPA has received relatively few formal disputes over how its program and regional offices have conducted grant competitions, from May 2004 to March 2016. According to OGD officials and our review of the matrix, of the thousands of applicants who submitted applications during this period, 61 filed formal disputes over eligibility or evaluation determinations; 10 of these disputes were sustained, at least in part. Over this period, most of the program and regional offices that conduct competitions and award grants had received at least one formal dispute. According to OGD officials, EPA receives few disputes in part because program and regional offices take steps to explain EPA decisions during debriefings and resolve applicants' issues before they ever reach the formal dispute phase.

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**EPA Provided Nearly \$1.5 Billion in Discretionary Grant Dollars to a Variety of Grantees from Fiscal Years 2013 through 2015 and Competitively Awarded at Least 90 Percent of New Awards Subject to Its Competition Policy**

From fiscal years 2013 through 2015, EPA provided nearly \$1.5 billion in discretionary grant dollars to about 2,000 unique grantees, including state governments, nonprofits, Indian tribes, state universities, and local governments, according to our analysis of EPA data.<sup>29</sup> Of this total, \$579 million was for new awards subject to the competition policy, and according to EPA, the agency met its annual performance target to competitively award at least 90 percent of these dollars or awards. EPA's available information shows that the number of applications for discretionary grants fluctuates widely by competition opportunity.

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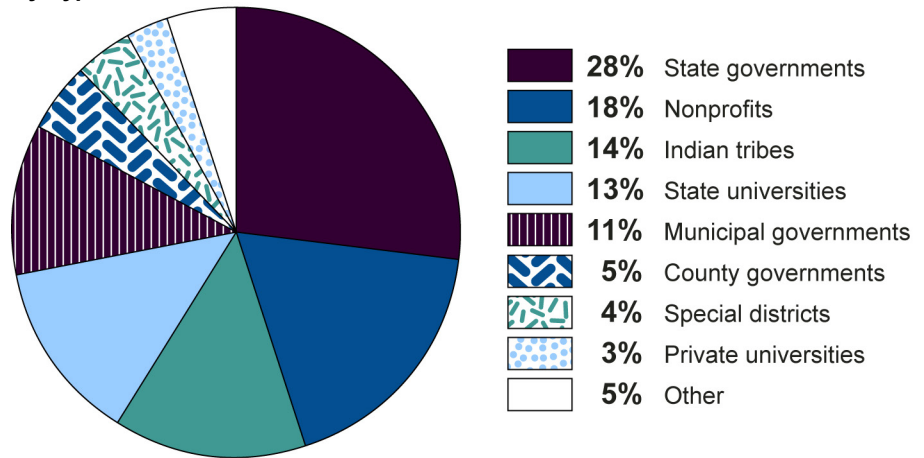
**EPA Provided Nearly \$1.5 Billion in Discretionary Grant Dollars to a Variety of Grantees from Fiscal Years 2013 through 2015**

From fiscal years 2013 through 2015, EPA provided nearly \$1.5 billion in discretionary grant dollars to a variety of grantees, including grantees in all 50 states, according to our analysis of EPA data. State governments received the largest amount (28 percent), with nonprofit organizations (18 percent), Indian tribes (14 percent), state universities (13 percent), and municipal governments (11 percent) also receiving substantial amounts of discretionary grant dollars. Figure 1 shows the percentages of EPA discretionary grant dollars awarded, by type of grantee, from fiscal years 2013 through 2015.

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<sup>29</sup>For unique grantees, we are reporting the number of unique D-U-N-S numbers in the EPA data. The D-U-N-S number is a nine-digit identification number assigned each physical location of an entity receiving federal grants. According to OGD officials, this is the best way to count unique grantees, but it is not entirely accurate because large entities, such as universities, could have more than one D-U-N-S number.

**Figure 1: Percentages of Nearly \$1.5 Billion in Environmental Protection Agency (EPA) Discretionary Grant Dollars for All New Awards and Amendments to Awards by Type of Grantee, Fiscal Years 2013–2015**



Source: GAO analysis of Environmental Protection Agency data. | GAO-17-161

Notes: Percentages do not total 100 because of rounding.

Some information in this figure pertains to amendments to awards originally made prior to fiscal year 2013.

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

Examples of discretionary grant awards include approximately \$1 million in fiscal year 2015 to the state of Ohio to support the Great Lakes Water Restoration Initiative and the Great Lakes Water Quality Agreement; approximately \$6 million in fiscal year 2013 to the National Fish and Wildlife Foundation to develop and implement the Chesapeake Bay Innovative Nutrient and Sediment Reduction Program; and approximately \$4 million in fiscal year 2013 to the Northwest Indian Fisheries Commission in Olympia, Washington, to develop a program to manage funding for projects to protect and restore Puget Sound. Table 1 shows amounts of EPA discretionary grant dollars awarded, by type of grantee, from fiscal years 2013 through 2015.

**Table 1: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for All New Awards and Amendments to Awards by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands (percentage of total)

Type of grantee	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15
State governments	122,170 (27)	140,270 (27)	150,378 (28)	412,818 (28)
Nonprofits	73,232 (16)	88,775 (17)	109,537 (21)	271,543 (18)
Indian tribes	71,007 (16)	68,788 (13)	66,094 (12)	205,889 (14)
State universities	54,503 (12)	84,353 (16)	61,277 (12)	200,132 (13)
Municipal governments	57,117 (13)	50,994 (10)	55,155 (10)	163,266 (11)
County governments	19,418 (4)	23,356 (4)	25,707 (5)	68,482 (5)
Special districts	15,159 (3)	21,204 (4)	21,826 (4)	58,189 (4)
Private universities	16,819 (4)	14,270 (3)	9,409 (2)	40,498 (3)
Interstate entities	4,411 (<1)	11,428 (2)	10,878 (2)	26,717 (2)
Intermunicipal entities	5,885 (1)	9,363 (2)	10,995 (2)	26,243 (2)
Other entities	4,117 (<1)	3,755 (<1)	6,484 (1)	14,356 (1)
Townships	3,164 (<1)	1,066 (<1)	1,478 (<1)	5,708 (<1)
Foreign recipients	910 (<1)	1,709 (<1)	725 (<1)	3,344 (<1)
Independent school districts	800 (<1)	200 (<1)	878 (<1)	1,878 (<1)
<b>Total</b>	<b>448,712 (100)</b>	<b>519,532 (100)</b>	<b>530,821 (100)</b>	<b>1,499,064 (100)</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

Some information in this table pertains to amendments to awards originally made prior to fiscal year 2013.

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

According to our analysis of EPA data, EPA made discretionary grant awards—both new awards and amendments—to about 2,000 unique grantees from fiscal years 2013 through 2015. Of these, EPA made new discretionary grant awards to about 1,700 unique grantees from fiscal years 2013 through 2015, and about 480, or about 28 percent, of these grantees received more than one new award during this period. Table 2 shows the combined number of all new awards and amendments, by type of grantee, from fiscal years 2013 through 2015.

**Table 2: Numbers of Environmental Protection Agency (EPA) Discretionary Grants for All New Awards and Amendments to Awards by Type of Grantee, Fiscal Years 2013–2015**

Type of grantee	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15
Indian tribes	540	515	499	1554
Nonprofits	288	299	332	919
State governments	322	299	293	914
State universities	212	228	177	617
Municipal governments	180	160	165	505
County governments	90	86	80	256
Special districts	54	62	61	177
Private universities	45	49	26	120
Intermunicipal entities	15	22	24	61
Interstate entities	15	20	16	51
Foreign recipients	11	10	3	24
Townships	13	4	4	21
Other entities	9	5	6	20
Independent school districts	2	2	6	10
<b>Total</b>	<b>1,796</b>	<b>1,761</b>	<b>1,692</b>	<b>5,249</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Some information in this table pertains to amendments to awards originally made prior to fiscal year 2013.

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

### Of \$579 Million in New Awards Subject to the Competition Policy, EPA Competitively Awarded at Least 90 Percent

According to our analysis of EPA data, of the nearly \$1.5 billion in discretionary grant dollars EPA awarded from fiscal years 2013 through 2015, approximately \$579 million was for new awards subject to the competition policy:

- approximately \$563 million was awarded by open competition,
- nearly \$1 million was awarded by simplified competition, and
- over \$14 million was awarded as exceptions to competition.

According to EPA documents, the agency met its performance target by competitively awarding at least 90 percent of these new awards annually, by both dollar amount and number of awards. For example, according to our analysis of EPA data, in fiscal year 2015, about 95 percent of the discretionary grant dollars for new awards subject to the competition



policy were awarded by open or simplified competition. Table 3 shows amounts of EPA discretionary grant dollars for new awards subject to the competition policy, by type of competition, from fiscal years 2013 through 2015.

**Table 3: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Subject to the Competition Policy, by Type of Competition, Fiscal Years 2013–2015**

Dollars in thousands (percentage of total)

Type of competition	Fiscal year 2013		Fiscal year 2014		Fiscal year 2015		Fiscal years 2013–15
Open <sup>a</sup>	139,742	(97)	219,635	(99)	203,717	(95)	563,094 (97)
Simplified <sup>b</sup>	306	(<1)	117	(<1)	559	(<1)	983 (<1)
Exceptions <sup>c</sup>	4,137	(3)	703	(<1)	9,651	(5)	14,491 (3)
<b>Total</b>	<b>144,186</b>	<b>(100)</b>	<b>220,455</b>	<b>(100)</b>	<b>213,927</b>	<b>(100)</b>	<b>578,568 (100)</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

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

<sup>a</sup>Open competitions are available to all potentially eligible applicants identified in the Catalog of Federal Domestic Assistance (CFDA) description for a particular grant program.

<sup>b</sup>Simplified competitions are available to a subset of the potentially eligible applicants identified in the CFDA description, as long as EPA determines that they are capable and qualified to successfully perform the project.

<sup>c</sup>Under its competition policy, EPA may award new discretionary grants noncompetitively as exceptions to competition under certain circumstances.

As shown in table 4, from fiscal years 2013 through 2015, state universities received the largest amount, almost \$119 million, or 21 percent, of the approximately \$563 million awarded by open competition, according to our analysis of EPA data. Nonprofits received the largest amount, about \$590,000, or 60 percent, of the nearly \$1 million awarded by simplified competition and almost \$13 million, or 87 percent, of the over \$14 million awarded as exceptions to competition. Examples of awards include \$196,300 by simplified competition in fiscal year 2013 to the National Ground Water Association to provide training, technical assistance, outreach, and informational materials to owners of private wells nationwide to reduce risks to private well water supplies and groundwater and \$5 million as an exception to competition in fiscal year 2015 to the Health Effects Institute to support research on the health

effects of emissions from motor vehicles, fuels, and other sources of environmental pollution.<sup>30</sup> Table 4 shows the amounts of EPA discretionary grant dollars for new awards subject to the competition policy, by type of grantee and type of competition, from fiscal years 2013 through 2015. Appendix IV provides additional information about new awards subject to the competition policy by fiscal year.

**Table 4: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Subject to the Competition Policy, by Type of Grantee and Type of Competition, Fiscal Years 2013–2015**

Dollars in thousands (percentage of total)

Type of grantee	Open competition <sup>a</sup>	Simplified competition <sup>b</sup>	Exceptions to competition <sup>c</sup>	Total for all types of competition
Nonprofits	113,452 (20)	590 (60)	12,559 (87)	<b>126,601 (22)</b>
State universities	118,810 (21)	373 (38)	633 (4)	<b>119,816 (21)</b>
Municipal governments	111,373 (20)	10 (1)	25 (<1)	<b>111,408 (19)</b>
State governments	80,016 (14)	0	708 (5)	<b>80,724 (14)</b>
Special districts	34,991 (6)	0	403 (3)	<b>35,394 (6)</b>
County governments	33,776 (6)	9 (<1)	0	<b>33,785 (6)</b>
Private universities	20,657 (4)	0	70 (<1)	<b>20,727 (4)</b>
Intermunicipal entities	19,082 (3)	0	0	<b>19,082 (3)</b>
Indian tribes	17,329 (3)	0	77 (<1)	<b>17,406 (3)</b>
Other entities	5,973 (1)	0	0	<b>5,973 (1)</b>
Townships	3,358 (<1)	0	0	<b>3,358 (&lt;1)</b>
Independent school districts	1,878 (<1)	0	0	<b>1,878 (&lt;1)</b>
Interstate entities	1,792 (<1)	0	16 (<1)	<b>1,808 (&lt;1)</b>
Foreign recipients	605 (<1)	0	0	<b>605 (&lt;1)</b>
<b>Total</b>	<b>563,094 (100)</b>	<b>983 (100)</b>	<b>14,491 (100)</b>	<b>578,568 (100)</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals.

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

<sup>a</sup>Open competitions are available to all potentially eligible applicants identified in the Catalog of Federal Domestic Assistance (CFDA) description for a particular grant program.

<sup>b</sup>Simplified competitions are available to a subset of the potentially eligible applicants identified in the CFDA description, as long as EPA determines that they are capable and qualified to successfully perform the project.

<sup>30</sup>According to EPA, the Grants Competition Advocate granted a waiver for this simplified competition award so that it could exceed the \$100,000 threshold for simplified competition.

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<sup>c</sup>Under its competition policy, EPA may award new discretionary grants noncompetitively as exceptions to competition under certain circumstances.

OGD officials told us that only new discretionary grant awards—and not amendments to discretionary grant awards—count toward meeting the grants management plan’s performance target of competitively awarding at least 90 percent of the dollars or new awards subject to the competition policy annually. They stated that, while many amendments are subject to the competition policy—i.e., they are supplemental or incremental amendments to awards that are subject to the competition policy—it would be misleading to count these amendments toward the performance target because doing so could give the impression that EPA had competitively awarded more grants than it did. This is because an amendment is not a new award, but rather part of an existing award that would already have been counted toward meeting the performance target in the year it was awarded. Further, OGD officials told us they count only the dollars for the first year of awards disbursed over time because, although competitively awarded, the out-year dollars—i.e., incremental amendments—might not eventually be provided to a grantee for a variety of reasons, such as poor performance by the grantee. Therefore, counting incremental amendments toward the performance target at the issuance of the initial award could incorrectly indicate that EPA had competitively awarded more grant dollars than it might ultimately award.

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### Of the Nearly \$1.5 Billion, Over \$920 Million Was Not Subject to the Competition Policy or Was Not for New Awards

According to our analysis of EPA data, of the nearly \$1.5 billion in discretionary grant dollars EPA provided from fiscal years 2013 through 2015, over \$920 million was not subject to the competition policy or was not for new awards. More specifically, approximately \$282 million was for exemptions from competition, which are new awards that are not subject to the competition policy, and about \$632 million was for amendments to awards that may or may not have been subject to the competition policy.<sup>31</sup> OGD officials told us that nearly all amendments to awards subject to the competition policy do not need to be awarded competitively because they meet certain conditions in the policy, such as being for work within the scope of the grant. If a proposed amendment must be awarded competitively because, for example, it is outside the scope of the grant, the officials stated that it should instead be processed as a new award. Table 5 shows the amounts of EPA discretionary grant dollars for

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<sup>31</sup>As shown in table 5, the over \$920 million includes almost \$7 million for other awards.

exemptions, amendments, and other awards not subject to the competition policy, from fiscal years 2013 through 2015.

**Table 5: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Not Subject to the Competition Policy and Amendments to Awards, Fiscal Years 2013–2015**

Dollars in thousands (percentage of total)

	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15
Exemptions from competition	75,867 (25)	97,382 (33)	108,708 (34)	281,957 (31)
Amendments to awards				
To exempt awards	93,820 (31)	88,094 (29)	106,176 (34)	288,091 (31)
Incremental	96,421 (32)	82,371 (28)	79,192 (25)	257,984 (28)
Supplemental	5,671 (2)	4,654 (2)	2,267 (<1)	12,592 (1)
Other amendments <sup>a</sup>	32,675 (11)	19,699 (7)	20,552 (6)	72,926 (8)
Total amendments to awards	228,587	194,819	208,186	631,593
Other awards <sup>b</sup>	71 (<1)	6,876 (2)	0	6,947 (<1)
<b>Total</b>	<b>304,525 (100)</b>	<b>299,077 (100)</b>	<b>316,894 (100)</b>	<b>920,497 (100)</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

Some information in this table pertains to amendments to awards originally made prior to fiscal year 2013.

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

<sup>a</sup>Other amendments are the remaining amendments identified in the EPA data, such as no-cost and uncategorized amendments.

<sup>b</sup>Other awards are grants that are identified as new awards in the EPA data but that are not subject to the competition policy, according to EPA Office of Grants and Debarment (OGD) officials. Other awards include \$125,000 for waivers, which are awards that are not subject to the competition policy because compliance with the policy would be impracticable or not in the best interests of the government. OGD officials stated that some of the dollars for waivers are actually for exemptions and are misidentified because of data entry errors. Other awards also include nearly \$1.4 million for novations, which are substitutions of new assistance agreements for old assistance agreements for previously awarded grants. In addition, other awards include about \$5.4 million labeled as both new awards and amendments exempt from competition, also likely because of data entry errors, according to OGD officials.

From fiscal years 2013 through 2015, state governments received the largest amount, about 38 percent, of the approximately \$282 million in discretionary grants awarded as exemptions from competition, according to our analysis of EPA data. An example of an award made as an exemption from competition includes approximately \$7 million in fiscal year 2015 to the Alaska Department of Environmental Conservation to support wastewater projects in rural communities and Alaska Native

villages. The exemption was for a grant program required by law to be made to an identified grantee in order to perform a specific project. Table 6 shows the amounts of EPA discretionary grant dollars for exemptions from competition, by type of grantee, from fiscal years 2013 through 2015. Appendix IV provides additional information about exemptions from competition by fiscal year.

**Table 6: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Made as Exemptions from Competition, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

Type of grantee	Amount	Percentage of total
State governments	108,230	38
Indian tribes	65,179	23
Municipal governments	34,884	12
Nonprofits	26,698	9
County governments	15,299	5
Interstate entities	9,268	3
Special districts	8,505	3
State universities	7,222	3
Other entities	2,719	1
Townships	2,064	<1
Foreign recipients	1,094	<1
Intermunicipal entities	500	<1
Private universities	294	<1
Independent school districts	0	0
<b>Total</b>	<b>281,957</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals.

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

As shown in table 7, from fiscal years 2013 through 2015, state governments received the largest amounts, 41 percent and 40 percent respectively, of both the approximately \$288 million in discretionary grants awarded as amendments to exempt awards and the approximately

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\$12.6 million in discretionary grants awarded as supplemental amendments, according to our analysis of EPA data. An example of an amendment to an exempt award includes approximately \$500,000 in fiscal year 2013 to the state of North Carolina to restore and maintain the Albemarle-Pamlico estuarine system. Examples of supplemental amendments include \$120,000 in fiscal year 2015 to the Association of Clean Water Administrators for water quality improvement programs; \$160,000 in fiscal year 2014 to the New York Department of Environmental Conservation for mapping aquatic vegetation and creating a long-term conservation strategy for Niagara River areas of concern; and \$138,000 in fiscal year 2013 to the Osage Nation in Oklahoma to conduct well testing and inspecting, enforcement and compliance, and permitting of injection wells. Nonprofits received the largest amount, about 30 percent, of the approximately \$258 million in discretionary grants awarded as incremental amendments, according to our analysis of EPA data. Table 7 shows the amounts of EPA discretionary grant dollars for different types of amendments, by type of grantee, from fiscal years 2013 through 2015. Appendix IV provides additional information about amendments by fiscal year.

**Table 7: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for Amendments to Awards, by Type of Grantee and Type of Amendment, Fiscal Years 2013–2015**

Dollars in thousands (percentage of total)

Type of grantee	Amendments to exempt awards	Incremental amendments <sup>a</sup>	Supplemental amendments <sup>b</sup>	Other amendments <sup>c</sup>	Total for all types of amendments
State governments	118,269 (41)	69,589 (27)	4,989 (40)	26,570 (36)	<b>219,417 (35)</b>
Indian tribes	99,976 (35)	21,794 (8)	1,169 (9)	365 (<1)	<b>123,304 (20)</b>
Nonprofits	24,648 (9)	76,834 (30)	4,398 (35)	12,240 (17)	<b>118,120 (19)</b>
State universities	6,038 (2)	60,357 (23)	670 (5)	5,910 (8)	<b>72,975 (12)</b>
Private Universities	188 (<1)	17,978 (7)	83 (<1)	1,227 (2)	<b>19,476 (3)</b>
County governments	10,975 (4)	2,953 (1)	129 (1)	5,035 (7)	<b>19,092 (3)</b>
Municipal governments	3,599 (1)	1,743 (<1)	472 (4)	10,859 (15)	<b>16,673 (3)</b>
Interstate entities	11,044 (4)	4,493 (2)	15 (<1)	89 (<1)	<b>15,641 (3)</b>
Special districts	6,103 (2)	492 (<1)	389 (3)	5,906 (8)	<b>12,890 (2)</b>
Intermunicipal entities	2,055 (<1)	131 (<1)	0	4,225 (6)	<b>6,411 (1)</b>
Other entities	5,163 (2)	0	0	500 (<1)	<b>5,663 (&lt;1)</b>
Foreign recipients	25 (<1)	1,620 (<1)	0	0	<b>1,645 (&lt;1)</b>
Townships	8 (<1)	0	278 (2)	0	<b>286 (&lt;1)</b>
Independent school districts	0	0	0	0	<b>0</b>
<b>Total</b>	<b>288,091 (100)</b>	<b>257,984 (100)</b>	<b>12,592 (100)</b>	<b>72,926 (100)</b>	<b>631,593 (100)</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals.

Some information in this table pertains to amendments to awards originally made prior to fiscal year 2013.

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

<sup>a</sup>Incremental amendments are for funding a grant over time, instead of funding the grant in a one-time lump sum.

<sup>b</sup>Supplemental amendments are for additional dollars for unanticipated cost increases or for added work to grants awarded competitively or as exceptions to competition.

<sup>c</sup>Other amendments are the dollar amounts for the remaining amendments identified in the EPA data, such as no-cost and uncategorized amendments.

OGD officials stated that they do not track, and thus have no data on, whether an amendment to an exempt award is for additional dollars or other purposes, such as to award dollars incrementally, because these amendments are not subject to the competition policy or performance target. Therefore, to gather such information, officials stated that they

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would have to manually examine every amendment to an exempt award on a case-by-case basis to determine the reasons for the amendment.

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### The Number of Applications Fluctuates Widely by Discretionary Grant Competition Opportunity

EPA posts limited information on the overall number of applications submitted for its discretionary grant competition opportunities; however, EPA's available information indicates that, of thousands of applications received annually, the number of applications fluctuates widely on an opportunity-by-opportunity basis. OGD officials stated that, while EPA has historically conducted roughly 100 to 125 grant competitions annually, the number of competitions varies each year because not every grant program offers a competition opportunity every year. The officials stated that there have been fewer annual competition opportunities in recent years because program and regional offices are offering more multiyear competitions. As of May 11, 2016, according to EPA's unofficial reports for open competitions completed from fiscal years 2013 through 2015, about 47 percent of 142 competition opportunities received more than 20 applications, about 18 percent received 11 to 20 applications, and about 17 percent received 4 to 10 applications. Approximately 18 percent of the competition opportunities received 3 or fewer applications, including about 8 percent that received 1 application.

About half of the competition opportunities receiving one application were for the Region 3 Office's Chesapeake Bay Programs. Region 3 officials said a potential reason for receiving so few applications could be that the opportunities' evaluation criteria are highly specialized with few eligible applicants capable of doing the work. They stated that, in addition to advertising these opportunities on Grants.gov, they also advertise them on a listserv and a website for Chesapeake Bay issues; an email distribution list; targeted emails to local universities, colleges, nonprofit organizations, and state and local governments; and a hard copy mailing list with about 1,000 subscribers.

OGD officials told us that, although thousands of potential applicants could be eligible for any particular competitive discretionary grant opportunity, the officials have no way of knowing why eligible entities may choose not to apply for an opportunity and that this is something EPA cannot control. They said receiving few applications could be the result of many different reasons for potentially eligible applicants, such as the location or timing of a project, available resources or expertise, and award amounts. OGD officials stated that, if a particular grant program has a pattern of receiving only one quality application across several competition opportunities, the Grants Competition Advocate's Office may



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advise the program or regional office to consider requesting an exemption to competition for future awards to more efficiently use resources.

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## EPA Provides Grant Information on Publicly Available Websites, but Information on EPA Discretionary Grants Is Either Difficult to Identify or Incomplete

EPA provides various kinds of information on grants, including discretionary grants, on four federal websites, each of which makes information publicly available for a different purpose. However, the information on EPA discretionary grants—including opportunities available and grant amounts awarded—on these websites is either difficult to identify or incomplete. In addition, EPA's internal grants management system does not identify all discretionary grants, making it difficult for EPA to provide complete information to publicly available websites and internal and external decision makers.

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## EPA Provides Information on Grants, including Discretionary Grants, on Four Federal Websites, Each Serving a Different Purpose

EPA provides some key information about grants, including discretionary grants, on four federal websites, each of which makes information about grants publicly available for a different purpose. Three of these websites are government-wide.

- **CFDA.gov:** The purpose of this website is to provide a compendium of federal grant programs. Information provided by EPA includes a grant program's objectives, eligibility requirements, available dollars, application and awards process, range of and average award amounts, related programs, and examples of previously funded activities.<sup>32</sup>
- **Grants.gov:** The purpose of this website is to provide a vehicle for organizations to search and apply for competitive federal discretionary grant opportunities. Information provided by EPA includes program descriptions, eligibility requirements, evaluation criteria, and application procedures.

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<sup>32</sup>EPA is required to provide GSA with certain information about the grant programs it administers for inclusion on CFDA.gov, which is the website for the CFDA. 2 C.F.R. § 200.202(b). The Federal Program Information Act, as amended, requires the GSA Administrator to prepare and publish a catalog containing all substantive information on domestic assistance programs. Pub. L. No. 95-220, 91 Stat. 1615 (1977) (codified as amended at 31 U.S.C. §§ 6101-6106). CFDA.gov can be accessed at <https://www.cfda.gov/>.

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- **USAspending.gov:** The purpose of this website is to provide a publicly accessible, searchable website for tracking where and how federal money is spent. Information provided by EPA includes grantee names and locations, project descriptions, and individual grant amounts awarded.<sup>33</sup>

EPA has its own public website on which it provides links to the above three government-wide websites.<sup>34</sup> EPA also makes the following other information on discretionary grants available on its website:

- **EPA Grant Awards Database:** The purpose of this database is to provide a summary record for EPA grants awarded in the last 10 years and prior grants that are still open. Information includes grantee names and types, project descriptions, EPA contacts, and cumulative dollar amounts (i.e., new awards plus any increases or decreases from amendments) awarded over the life of a grant.<sup>35</sup>
- **Unofficial reports:** The purpose of these reports is to provide summary information about grant competitions conducted during a fiscal year. Information includes competition titles, announcement numbers, closing dates, numbers of applications received, and grantee names. EPA collects information for these unofficial reports quarterly.<sup>36</sup>

According to OGD officials, developing the Grant Awards Database and posting unofficial reports on EPA's public website were key parts of EPA's efforts to respond to feedback from congressional staff and others that EPA should be more transparent about its awards process for

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<sup>33</sup>EPA is required to report certain information about the grants it awards to USAspending.gov, a website that displays federal spending on contracts, grants, and other assistance. The Federal Funding Accountability and Transparency Act of 2006, as amended, requires OMB to ensure the existence and operation of a single searchable website that includes information about federal awards, including grants. Pub. L. No. 109-282, 120 Stat. 1186 (2006) (classified as amended at 31 U.S.C. § 6101 Note). In response, OMB established USAspending.gov in December 2007. The act also requires agencies to report financial and payment information data in accordance with OMB and Department of Treasury instructions and guidance. USAspending.gov can be accessed at <https://www.usaspending.gov>.

<sup>34</sup>These links can be accessed at EPA's web page for understanding, managing, and applying for EPA grants at <https://www.epa.gov/grants>.

<sup>35</sup>The EPA Grant Awards Database can be accessed at [https://yosemite.epa.gov/oarm/igms\\_egf.nsf/HomePage?ReadForm](https://yosemite.epa.gov/oarm/igms_egf.nsf/HomePage?ReadForm).

<sup>36</sup>EPA's unofficial reports can be accessed at <https://www.epa.gov/grants/policy-competition-assistance-agreements>.

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discretionary grants so that these efforts can be monitored. OGD officials said that they created the Grant Awards Database about 10 years ago in response to a request from congressional staff that EPA provide a public database with information on grants awarded. OGD officials stated that they started posting the unofficial reports online at about the same time.

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### Information on EPA Discretionary Grants on Publicly Available Websites Is Either Difficult to Identify or Incomplete

Information on EPA discretionary grants on the four publicly available websites is either difficult to identify or incomplete for several reasons. First, while one of the main purposes of Grants.gov is to provide public information about competitive grant opportunities, the website includes information only about opportunities for open competition, not simplified competition, exceptions to competition, or exemptions from competition. In addition, information is difficult to identify partly because USAspending.gov and the EPA Grant Awards Database do not have a way to search for discretionary grants. Further, although CFDA.gov has a search field for grant types and “discretionary grant” is a second-tier grant type that users can choose to search for, EPA does not flag discretionary grants in the information it submits for CFDA.gov. Consequently, when users search for EPA discretionary grants on CFDA.gov, they get no results. OGD officials stated that they do not flag discretionary grants in the information they submit for CFDA.gov because several of the available second-tier grant types, such as fellowships or cooperative agreements, could simultaneously apply to the same discretionary grant program, and the CFDA.gov template for submitting information allows them to identify only one second-tier grant type. As a result, they said they do not flag any of these second-tier grant types because prioritizing one over the others would mean excluding options that also apply, which could confuse users. OGD officials stated that changing this would depend on the agency making a policy decision to select discretionary grant as the second-tier grant type when submitting information for CFDA.gov.

The Uniform Guidance states that, when agencies submit information for CFDA.gov, they must identify whether a program makes awards on a discretionary basis. In addition, EPA’s CFDA user manual directs program and regional offices to distinguish discretionary grants from other types of grants in their CFDA submissions. According to EPA officials, EPA has complied with the Uniform Guidance and user manual, in part, by using only two primary-tier grant types—formula grant or project grant—to flag its grants in the information it submits for CFDA.gov. EPA officials stated that, since formula grants are nondiscretionary by definition, this approach signals that discretionary grants would be found

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under the project grant type, by default. EPA officials said they also include competition instructions in the narrative of their CFDA submissions for competitive discretionary grant programs, which further distinguishes them as discretionary. However, according to EPA officials, this method is not entirely sufficient because it identifies discretionary grants indirectly, thus requiring users to understand the difference between formula and project grants when searching for discretionary grants. In addition, the project grant type is not exclusively for discretionary grants; for example, some formula grants, such as EPA's State Indoor Radon Grants, are flagged as project grants on CFDA.gov. According to OGD officials, grant types have not always been clear to the program and regional staff responsible for preparing CFDA submissions.

OGD officials told us that, as a result of our work for this review, they realized that they needed to improve how they identify discretionary grants in their CFDA submissions. To do so, OGD officials stated they are planning to specifically identify discretionary grant programs in the narrative descriptions of their future CFDA submissions by including a sentence explaining that the program generally makes awards on a discretionary basis. OGD officials also said that, through their ongoing participation in a working group coordinated by the General Services Administration (GSA), they plan to work to clarify GSA's government-wide guidance on identifying discretionary grants in agencies' CFDA submissions.

Even if EPA were to flag discretionary grants in the information it submits for CFDA.gov, however, identifying such grants on CFDA.gov would be just one of several steps that users would have to take to obtain more complete information about EPA discretionary grants, since information about EPA grants is spread across different websites. Specifically, to obtain a range of information about discretionary grants, including program descriptions, eligibility requirements, application procedures, grantees, and award amounts, users would first have to identify discretionary grants on CFDA.gov and obtain the CFDA numbers. These CFDA numbers are the only way to link information across the other three websites, and they are the only way to identify discretionary grants on USAspending.gov and the EPA Grant Awards Database. Users would have to enter the CFDA numbers on USAspending.gov to obtain information on individual awards, including amendments, and on the EPA Grant Awards Database for cumulative awards over the life of a grant. According to OGD officials, the award amounts cannot be compared for the same grant across USAspending.gov and the EPA Grant Awards Database because USAspending.gov reports individual amounts

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awarded—i.e., for a new award or each amendment made—on a specific date, whereas the EPA Grant Awards Database reports the total amounts awarded cumulatively—i.e., for a new award plus or minus any amendments—over the life of a grant, which may span many fiscal years.

According to OGD officials, EPA’s unofficial reports on grant competitions are the only publicly available source of information about the number of applications received for discretionary grant competition opportunities. However, our review of these reports found that they are not current, and they contain limited information. EPA’s current internal grants management system cannot provide the type of information included in these reports because it does not have the capability to centrally track the number of applications received per competition opportunity. Instead, the Grants Competition Advocate’s Office collects the information manually from each program and regional office. OGD officials stated that this approach takes time and means that a report for a particular fiscal year may not be complete until a year or two later because the information is updated on a rolling basis, as it becomes available. In addition, the information for these reports is not collected until all the awards for a particular competition opportunity have been made, and, according to OGD officials, it may take more than a year to complete the award process. We also found that these reports contain limited information. For example, they do not include such key information as award amounts, grantee types, or amendments. Under federal standards for internal control, agencies are to communicate complete and accurate information internally and externally to achieve the entity’s objectives.<sup>37</sup>

EPA is transitioning to a new internal grants management system that will offer capabilities to collect more information and to collect it more quickly, according to OGD officials. These officials expect the new system to be fully operational in 2018. The new system will provide EPA with the capability to more easily collect and use timely and complete information about the agency’s discretionary grants, which will facilitate internal oversight and management, according to EPA officials. However, officials added that the agency does not currently have plans to use this new system to improve the timeliness and quality of the reports it makes publicly available on its website. By making more complete information about its discretionary grants publicly available—such as by posting timely and complete reports on its website—EPA could help Congress

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<sup>37</sup> [GAO-14-704G](#).

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and other decision makers better monitor, and thus provide oversight of, its management of discretionary grants.

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## EPA's Internal Grants Management System Does Not Identify All Discretionary Grants

In conducting this review, we asked EPA to provide its internal data on all discretionary grants awarded from fiscal years 2013 through 2015; however, EPA could not readily provide data about these grants because it could not easily identify them. OGD officials told us that they had to manually review the agency's CFDA program descriptions in order to identify all the discretionary grants and respond to our data request.<sup>38</sup> They stated that EPA's internal grants management system was not designed to collect and track this information. Although EPA's internal grants management system includes a data field for distinguishing grant types, including discretionary grants, from one another, the field is not being used consistently to identify all EPA discretionary grant programs, according to OGD officials. These officials explained that some discretionary grants were flagged in EPA's internal grants management system as other types of grants, such as categorical grants, which may have some discretionary aspects to them. The officials stated that EPA staff may not have a clear understanding of how to use the data field, and one reason for this may be that OGD's definition of discretionary grants is not clear, in part because it does not explain whether categorical grants with discretionary aspects are considered to be discretionary grants.<sup>39</sup> According to OGD officials, some categorical and discretionary grant programs can have overlapping aspects. Another reason EPA staff may not have a clear understanding of how to use the data field may be that EPA's guidance for CFDA.gov provides a definition of discretionary grants that differs slightly from OGD's, and inconsistencies among these

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<sup>38</sup>In October 2016, EPA posted the list of discretionary grant programs it developed to its website, and this list can be accessed at <https://www.epa.gov/grants/epa-discretionary-grant-programs>.

<sup>39</sup>According to OGD officials, the definition of an EPA discretionary grant is as follows: "a discretionary grant program is generally one where EPA retains considerable discretion in selecting the recipient, determining the amount of the award, and/or negotiating and approving the assistance agreement work plan. The term does not include, for example, continuing state and tribal assistance agreement programs or other continuing programs where awards are awarded on the basis of an allocation formula prescribed by statute, regulation, or legally-binding program guidance."

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definitions could create ambiguity for staff.<sup>40</sup> For instance, OGD’s definition states that a discretionary grant is one for which EPA has discretion in negotiating and approving the work plan, whereas the definition in EPA’s guidance for CFDA.gov does not discuss grants for which EPA has discretion over work plans. Under federal standards for internal control, management should design control activities to achieve objectives and respond to risks—for example, by clearly documenting internal control in management directives, administrative policies, or operating manuals.<sup>41</sup> While EPA has documented its guidance for CFDA.gov, it is not clear because there are inconsistencies between the definition of discretionary grants in the guidance and OGD’s definition.

OGD officials stated that, in response to our review, they provided the list of active discretionary grant programs to all program and regional offices to help them better identify discretionary grants in EPA’s internal grants management system. OGD officials also posted the list of discretionary grant programs to their intranet site so that program and regional offices could access it at any time. In addition to these steps, by having clear guidance on identifying discretionary grants generally—such as how to flag categorical grants with discretionary aspects and how to reconcile inconsistencies among EPA’s two definitions of discretionary grants—staff might be able to better identify all discretionary grants in the internal grants management system, especially discretionary grant programs developed in the future. Such guidance would also help staff update information for ongoing grants made under programs that are now inactive (i.e., no longer making new awards). By providing clear guidance to EPA staff to help ensure that they correctly identify all discretionary grants in the agency’s grants management system, EPA could communicate more accurate and complete information to internal and

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<sup>40</sup>According to the user manual for EPA’s CFDA Data Management System, discretionary grants are defined as “programs in which federal agency officials have the authority to decide which eligible applicants will receive awards and how much will be awarded. EPA grant programs are discretionary unless: (1) a statute, treaty or executive order specifies that funds must be awarded to a particular entity in a specified amount; (2) a statute, treaty or executive order establishes a precise formula for funding particular entities (e.g., states) that simply requires the EPA to perform mathematical calculations without exercising judgment; or (3) published regulations or legally binding program guidance establish allocation formulas, standards or criteria awarding funds noncompetitively. Any grant program that awards funding competitively would be considered a discretionary grant program.”

<sup>41</sup>[GAO-14-704G](#).

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external decision makers and improve the quality of the information it makes publicly available about its use of taxpayer dollars.

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## Conclusions

Over the years, EPA has taken steps to improve competition for its discretionary grants in response to our past reports and other reviews identifying challenges in how EPA manages such grants. These steps include updating EPA's competition policy for awarding grants, creating a senior-level Grants Competition Advocate to help offices implement the policy, and making some discretionary grants information publicly available so that EPA's management efforts can be monitored. However, the information EPA makes publicly available is neither easy to identify nor complete.

EPA has faced challenges identifying the full universe of its discretionary grants. Until recently, EPA did not have complete information about which of its grants are discretionary because staff were not consistently distinguishing discretionary grants in EPA's internal grants management system. EPA has manually reviewed its CFDA descriptions to develop a complete list of its active discretionary grant programs. Moving forward, this information can help officials provide clearer guidance to program and regional staff to help ensure they correctly identify programs in the internal grants management system. This information can also help inform guidance on how to update information for ongoing grants made under programs that are no longer active. Improving how it identifies discretionary grants internally will allow EPA to provide more complete information to internal decision makers and improve the information it makes publicly available.

In addition, our review of EPA's unofficial reports on grant competitions—the only publicly available source of information about the number of applications received for discretionary grant competition opportunities—found that they are not current and they contain limited information. Although EPA is updating its internal grants management system with capabilities to collect and report more timely and complete information about discretionary grants, the agency has no plans to use the system to improve the timeliness and quality of the grants information it makes publicly available on its website. By making more complete information about its discretionary grants publicly available—such as by posting timely and complete reports on its website—EPA could help Congress and other decision makers better monitor, and thus provide oversight of, its management of discretionary grants.



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## Recommendations for Executive Action

We are making two recommendations:

To improve the quality of EPA's internal records and the information EPA can communicate to internal and external decision makers, the EPA Administrator should direct the Assistant Administrator for the Office of Administration and Resources Management to direct the Director of OGD to provide clear guidance to EPA staff to help ensure that staff correctly identify all EPA discretionary grant programs in the agency's internal grants management system.

To better enable Congress and other decision makers to monitor EPA's management of discretionary grants, the EPA Administrator should direct the Assistant Administrator for the Office of Administration and Resources Management to direct the Director of OGD to determine how to make more complete information on EPA's discretionary grants publicly available, such as by posting timely and complete reports on its website.

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## Agency Comments

We provided a draft of this report to EPA for review and comment. In its written comments, reproduced in appendix V, EPA agreed with our two recommendations and generally agreed with our findings and conclusions. EPA stated that it agrees that there are opportunities to explore how to better develop guidance for tracking grants and determine how to make more complete information on discretionary grants publicly available and, as noted in this report, has already taken steps to do so. EPA stated that it will continue these efforts in 2017, subject to budgetary and resource constraints. EPA also provided technical comments, which we incorporated into the report, as appropriate.

To address our first recommendation, in addition to actions it described having taken, EPA stated that it expects to be involved in GSA efforts in 2017 to improve CFDA descriptions, which may relate to changes to the CFDA templates that could improve discretionary grant designations. EPA stated that also in 2017 the agency will assess whether other actions need to be taken to better identify discretionary grant programs in its internal grants management systems, including training for grants personnel to ensure consistency in defining discretionary grant programs. To address our second recommendation, EPA stated that in 2017 the agency will begin to examine whether and how it can use its new internal Next Generation Grants System to generate more timely and complete reports related to discretionary grants and make them publicly available. EPA also stated that at the outset the agency plans to explore the system's ability to (1) generate more timely and complete information that

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can be posted on the EPA website, such as on applications received, and (2) post an annual report on the amount of funds per discretionary grant program and whether they were new awards or amendments.

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As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the EPA Administrator, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

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

Sincerely yours,

A handwritten signature in black ink that reads "Alfredo Gómez". The signature is written in a cursive style with a large, stylized "G" for the last name.

J. Alfredo Gómez  
Director, Natural Resources and Environment

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# Appendix I: EPA Office of Inspector General Reports Identifying Challenges with How EPA Manages Discretionary Grants

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*EPA Needs to Improve STAR Grant Oversight.* Report No. 13-P-0361. Washington, D.C.: August 27, 2013.

*EPA's Key Management Challenges.* Washington, D.C.: April 21, 2006.

*EPA Managers Did Not Hold Supervisors and Project Officers Accountable for Grants Management.* Report No. 2005-P-00027. Washington, D.C.: September 27, 2005.

*EPA's Key Management Challenges 2005.* Washington, D.C.: April 25, 2005.

*EPA Needs to Compete More Assistance Agreements.* Report No. 2005-P-00014. Washington, D.C.: March 31, 2005.

*EPA's Key Management Challenges.* Washington, D.C.: April 21, 2004.

*EPA's Key Management Challenges.* Washington, D.C.: May 22, 2003.

*EPA's Key Management Challenges.* Washington, D.C.: September 6, 2002.

*Surveys, Studies, Investigations, and Special Purpose Grants.* Report No. 2002-P-00005. Philadelphia, PA: March 21, 2002.

*EPA's Key Management Challenges.* Washington, D.C.: December 17, 2001.

*EPA's Competitive Practices for Assistance Awards.* Report No. 2001-P-00008. Philadelphia, PA: May 21, 2001.

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# Appendix II: Objectives, Scope, and Methodology

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In this report, we examine (1) how EPA manages competition for its discretionary grants, (2) how much in discretionary grants EPA provided from fiscal years 2013 through 2015 and to what types of grantees, and how much of that was competitively awarded, and (3) what information EPA makes publicly available on discretionary grants.

To examine how EPA manages competition for its discretionary grants, we reviewed relevant statutes and regulations, EPA's competition policy, and EPA's procedures and guidance for managing grants competition.<sup>1</sup> We also examined fiscal year 2013 through 2015 annual competition effectiveness reviews and office competition assurances for program and regional offices for fiscal years 2014 through 2015. We reviewed EPA decisions for grant eligibility and evaluation disputes from May 2004 through March 2016, which includes every year EPA has issued these dispute decisions, according to EPA Office of Grants and Debarment (OGD) officials. We also reviewed the Grants Competition Advocate Office's dispute decision matrix, which includes summary information on all formal disputes filed from May 2004 to March 2016. In addition, we assessed the extent to which a nongeneralizable sample of competitive discretionary grant announcements met key EPA criteria for preparing such announcements in the competition policy and OGD's checklist for preparing announcements by selecting and reviewing all of the 12 active announcements, prepared by nine different program and regional offices, available on Grants.gov on April 27, 2016.<sup>2</sup> To do so, two analysts reviewed the extent to which the announcements included the dozens of elements that the competition policy and checklist direct them to include. The analysts then discussed and compared results to resolve any differences in their assessments. In addition, we reviewed internal

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<sup>1</sup>Environmental Protection Agency, *Policy for Competition of Assistance Agreements*, Order No. 5700.5A1 (Jan. 11, 2005).

<sup>2</sup>The 12 announcements were EPA-R9-SFBWQIF-16-01, San Francisco Bay Water Quality Improvement Fund, FY2016; EPA-R10-PS-2016-001, Puget Sound Action Agenda—Management Conference Support for Implementation Strategies and Additional Activities; EPA-OAR-OAQPS-16-03, 2016 Targeted Air Shed Grant Program; EPA-HQ-OPPT-2016-003, FY 2016 and FY 2017 Source Reduction Assistance Grant Program; EPA-R5-WPDG-2016, FY16 Region 05 Wetland Program Development Grants; EPA-REG08-16-01, FY16 and FY17 Region 08 Wetland Program Development Grants; EPA-HQ-OPPT-2016-001, FY 2016 and FY 2017 Pollution Prevention Information Network (PPIN) Grants Program; EPA-R7WWPD-16-01, FY16 Region 7 Wetland Program Development Grants; EPA-EE-16-02, Environmental Education Training Program; EPA-REG04-16-02, FY16 Region IV Wetland Program Development Grants; EPA-HQ-OPPT-2016-002, FY 2016 and FY 2017 Pollution Prevention Grant Program; and EPA-R4-16-UWPCA-01, Urban Waters Proctor Creek Ambassador.

documentation for the eligibility and evaluation criteria reviews for a nongeneralizable sample of two discretionary grant competition opportunities managed by the Office of Research and Development (ORD) and three discretionary grant competition opportunities managed by the Region 9 Office. We selected these offices, in part, for geographic diversity and because they are responsible for some of the largest portions of discretionary grant dollars and awards among program and regional offices.<sup>3</sup> We selected the most recently closed discretionary grant competition opportunities managed by each office, according to EPA's unofficial reports on grant competitions.<sup>4</sup> The internal documentation for the eligibility and evaluation criteria reviews included conflict-of-interest statements, reviewer instructions, eligibility reviews, reviewer scoresheets, reviewer comments, and funding recommendations. Our findings cannot be generalized to all EPA discretionary grant competition opportunities, but they do provide us with examples of key steps in EPA's process for managing discretionary grants.

To examine how much in discretionary grants EPA provided and competitively awarded from fiscal years 2013 through 2015 and to what types of grantees, we reviewed EPA's competition policy and grants management plan. We also analyzed EPA internal data on discretionary

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<sup>3</sup>According to our analysis of EPA data, from fiscal years 2013 through 2015, ORD was responsible for the most discretionary grant dollars (about 56 percent of \$323 million) and awards (about 39 percent of 850 awards) among 11 program offices, and the Region 9 Office was responsible for the fourth most discretionary grant dollars (about 11 percent of \$1.18 billion) and third most awards (about 14 percent of 4,399 awards) among 10 regional offices. For the two ORD competition opportunities we selected, EPA received a total of 71 applications and made 10 awards, and for the three Region 9 Office competition opportunities we selected, EPA received a total of 84 applications and made 23 awards.

<sup>4</sup>These discretionary grant competition opportunities are available at <https://www.epa.gov/grants/policy-competition-assistance-agreements>, as of May 11, 2016. The ORD competition opportunities are EPA-G2014-ORD-L1, National Priorities: Systems-Based Strategies to Improve the Nation's Ability to Plan and Respond to Water Scarcity and Drought Due to Climate Change; EPA-G2014-STAR-E1, Systems-Based Research for Evaluating Ecological Impacts of Manufactured Chemicals; and EPA-G2014-STAR-E2, Early Career Awards: Systems-Based Research for Evaluating Ecological Impacts of Manufactured Chemicals. EPA considers the STAR-E1 and STAR-E2 announcements to be the same competition. The Region 9 Office competition opportunities are EPA-REG9-WPDG-15-16, FY15 and FY16 Region 9 Wetland Program Development Grants; EPA-R9-WTR3-14-01, San Francisco Bay Water Quality Improvement Fund, FY2014; and EPA-R9-WTR3-13-001, San Francisco Bay Water Quality Improvement Fund, FY2013.

grants awarded from fiscal years 2013 through 2015, including types of grantees, award amounts, whether grants were awarded as new awards or amendments to awards, and whether grants were awarded competitively or noncompetitively. In response to our data request, EPA obtained these data from its Integrated Grants Management System, as of May 6, 2016. According to EPA, the data could change over time as offices make corrections or adjustments. In order to assess the reliability of the data we analyzed, we reviewed database documentation; interviewed EPA officials familiar with the data; and conducted electronic tests of the data, looking for missing values, outliers, or other anomalies. We determined that the data were sufficiently reliable for our purposes. In addition, EPA officials reviewed and verified our data analysis results. We also analyzed information on the number of applications received in EPA's unofficial reports on grant competitions from fiscal years 2013 through 2015, as of May 11, 2016.<sup>5</sup>

To examine what information EPA makes publicly available on discretionary grants, we reviewed relevant statutes and regulations, EPA's competition policy, and EPA's procedures and guidance for making information publicly available on grants. We also reviewed information on four publicly accessible websites—CFDA.gov, USAspending.gov, Grants.gov, and the EPA Grant Awards Database—on EPA discretionary grants from fiscal years 2013 through 2015 and compared it with EPA's internal data to assess the extent to which information on EPA discretionary grants was readily available from publicly available sources. In addition, we interviewed EPA officials responsible for posting and maintaining the information EPA makes publicly available on the EPA Grant Awards Database and the information EPA submits to be made publicly available on CFDA.gov, USAspending.gov, and Grants.gov. We compared EPA guidance and the information EPA makes publicly available on discretionary grants with federal standards for internal control to assess the extent to which EPA follows principles for designing control activities and principles for information and communication.<sup>6</sup> We also analyzed applicant information in EPA's unofficial reports on grant competitions from fiscal years 2013 through 2015, as of May 11, 2016.

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<sup>5</sup>EPA provides applicant information in unofficial reports on grant competitions on its website at <https://www.epa.gov/grants/policy-competition-assistance-agreements>.

<sup>6</sup>GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014).

To address all three objectives, we reviewed our reports and those of the EPA Office of Inspector General that identified challenges with, or made recommendations for improving, EPA's management of discretionary grants. In addition, we interviewed officials in OGD, ORD, the Region 3 Office, and the Region 9 Office about how they manage and make information publicly available on discretionary grants.

We conducted this performance audit from December 2015 to January 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix III: EPA Discretionary Grant Programs

This appendix displays the inventory of 67 active discretionary grant programs EPA developed from its program descriptions in the Catalog of Federal Domestic Assistance (CFDA). For each program, table 8 shows the CFDA number, title, EPA program or regional office responsible for managing the program, and whether the program has an exemption from competition (i.e., the program is not subject to EPA's competition policy).

**Table 8: Active Environmental Protection Agency (EPA) Discretionary Grant Programs, As of October 6, 2016**

CFDA number	Title	Program has an exemption from competition
<b>EPA Office of Administration and Resources Management</b>		
66.508	Senior Environmental Employment Program	Yes
66.518	State Senior Environmental Employment Program	Yes
<b>EPA Office of the Administrator</b>		
66.609	Protection of Children and Older Adults (Elderly) from Environmental Health Risks	No
66.610	Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator	No
66.611	Environmental Policy and Innovation Grants	No
66.950	Environmental Education and Training Program	No
66.951	Environmental Education Grants	No
<b>EPA Office of Air and Radiation</b>		
66.033	Ozone Transport	No
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities relating to the Clean Air Act	No
66.037	Internships, Training, Workshops and Fellowships for the Office of Air and Radiation (Fellowships to individuals not subject to certification policy)	No
66.038	Training, Investigations, and Special Purpose Activities of Federally-Recognized Indian Tribes Consistent With the Clean Air Act (CAA), Tribal Sovereignty and the Protection and Management of Air Quality	No
66.039	National Clean Diesel Funding Assistance Program	No
66.041	Climate Showcase Communities Grant Program	No
66.042	Temporary Integrated Monitoring of Ecosystems (TIME) and Long-Term Monitoring (LTM) Program	Yes
<b>EPA Office of Chemical Safety and Pollution Prevention</b>		
66.612	Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach Related to Environmental Information and the Release of Toxic Chemicals	No
66.708	Pollution Prevention Grants Program	No
66.714	Pesticide Environmental Stewardship - Regional Grants	No
66.716	Surveys, Studies, Investigations, Training, Demonstrations & Educational Outreach	No



**Appendix III: EPA Discretionary Grant Programs**

<b>CFDA number</b>	<b>Title</b>	<b>Program has an exemption from competition</b>
66.717	Source Reduction Assistance	No
<b>EPA Office of the Chief Financial Officer</b>		
66.202	Congressionally Mandated Projects (assistance agreements for special projects earmarked by Congress for specific recipients which are not requested by EPA in its annual budget request to Congress)	No
<b>EPA Office of Enforcement and Compliance Assurance</b>		
66.305	Compliance Assistance-Support for Services to the Regulated Community and Other Assistance Providers	No
66.306	Environmental Justice Collaborative Problem-Solving Cooperative Agreement Program	No
66.309	Surveys, Studies, Investigations and Special Purpose Activities Relating to Environmental Justice	No
66.310	Capacity Building Grants and Cooperative Agreements for Compliance Assurance and Enforcement Activities in Indian Country and Other Tribal Areas	No
66.604	Environmental Justice Small Grants Program	No
<b>EPA Office of Environmental Information</b>		
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	No
<b>EPA Office of International and Tribal Affairs</b>		
66.473	Direct Implementation Tribal Cooperative Agreements	No
66.926	Indian Environmental General Assistance Program	Yes
66.931	International Financial Assistance Projects Sponsored by the Office of International Affairs	No
66.954	Tribal ecoAmbassadors Grant Program	No
<b>EPA Office of Land and Emergency Management<sup>a</sup></b>		
66.806	Superfund Technical Assistance Grants (TAG) for Community Groups at National Priority List (NPL) Sites <sup>b</sup>	Yes
66.808	Solid Waste Management Assistance	No
66.812	Hazardous Waste Management Grant Program for Tribes	No
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training and Hazardous Substance Research Grants	No
66.814	Brownfields Training, Research and Technical Assistance Grants and Cooperative Agreements	No
66.815	Brownfields Job Training Cooperative Agreements	No
66.816	Headquarters and Regional Underground Storage Tanks Program	No
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	No
<b>EPA Office of Research and Development</b>		
66.509	Science to Achieve Results (STAR) Research Program	No

**Appendix III: EPA Discretionary Grant Programs**

<b>CFDA number</b>	<b>Title</b>	<b>Program has an exemption from competition</b>
66.510	Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development	No
66.511	Office of Research and Development Consolidated Research/Training	No
66.513	Greater Research Opportunities (GRO) Fellowships For Undergraduate Environmental Study	No
66.514	Science to Achieve Results (STAR) Fellowship Program	No
66.516	P3 Award: National Student Design Competition for Sustainability	No
66.517	Regional Applied Research Efforts (RARE)	Yes
<b>EPA Office of Water</b>		
66.203	Environmental Finance Center Grants	No
66.424	Surveys, Studies, Demonstrations and Special Purpose Grants - Section 1442 of the Safe Drinking Water Act	No
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act	No
66.437	Long Island Sound Program	No
66.439	Targeted Watershed Initiative	No
66.440	Urban Waters Small Grants	No
66.441	Healthy Watersheds Consortium Grant Program	No
66.456	National Estuary Program	Yes
66.461	Regional Wetland Program Development Grants	No
66.462	National Wetland Program Development Grants	No
66.466	Chesapeake Bay Program	No
66.469	Great Lakes Program	No
66.475	Gulf of Mexico Program	No
66.481	Lake Champlain Basin Program	Yes
<b>Region 1 Office (Boston)</b>		
66.110	Healthy Communities Grant Program	No
66.129	Southeast New England Coastal Watershed Restoration Program (SNEP)	No
<b>Region 4 Office (Atlanta)</b>		
66.128	Southeastern Multi-Media and Geographic Priority Projects	No
<b>Region 6 Office (Dallas)</b>		
66.125	Lake Pontchartrain Basin Restoration Program (PRP)	Yes
<b>Region 9 Office (San Francisco)</b>		
66.126	San Francisco Bay Water Quality Improvement Grants	No

**Appendix III: EPA Discretionary Grant Programs**

<b>CFDA number</b>	<b>Title</b>	<b>Program has an exemption from competition</b>
<b>Region 10 Office (Seattle)</b>		
66.120	Puget Sound Watershed Management Assistance	No
66.121	Puget Sound Protection and Restoration: Tribal Implementation Assistance Program <sup>c</sup>	Yes
66.123	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	No

Source: EPA. | GAO-17-161

Note: Not every EPA regional office has responsibility for managing an entire discretionary grant program. However, the regional offices are responsible for conducting their respective regional competitions for certain national programs, such as the Office of Water's Regional Wetland Program Development Grants program (66.461).

<sup>a</sup>Prior to December 15, 2015, the EPA Office of Land and Emergency Management was known as the Office of Solid Waste and Emergency Response.

<sup>b</sup>The Superfund Technical Assistance Grants (TAG) for Community Groups at National Priority List (NPL) Sites program is exempt from competition through a waiver, instead of through an exemption from competition.

<sup>c</sup>Although the Puget Sound Protection and Restoration: Tribal Implementation Assistance Program has an exemption from competition, it awards a few of its grants competitively.

# Appendix IV: Additional Results from Our Analysis of EPA Data on Discretionary Grants, Fiscal Years 2013–2015

This appendix displays results from our analysis of EPA data on discretionary grants awarded from fiscal years 2013 through 2015. Tables 9 through 11 show the dollar amounts for the different types of new awards subject to the competition policy, by type of grantee. Table 12 shows the dollar amounts for new awards made as exemptions from competition (i.e., not subject to EPA’s competition policy), by type of grantee. Tables 13 through 15 show the dollar amounts of the different types of amendments to awards, by type of grantee. Table 16 shows the number of unique grantees receiving two or more new awards, by type of grantee, in fiscal years 2013, 2014, and 2015. Tables 17 and 18 show the combined dollar amounts for all new awards and amendments, by Catalog of Federal Domestic Assistance (CFDA) number and title, in order of total dollars and CFDA numbers, respectively.

**Table 9: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Made by Open Competition, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

Type of grantee	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15	Percentage of total, fiscal years 2013–15
State universities	28,162	49,357	41,292	118,810	21
Nonprofits	20,638	43,767	49,049	113,452	20
Municipal governments	37,101	35,984	38,289	111,373	20
State governments	15,667	39,272	25,076	80,016	14
Special districts	6,762	12,334	15,895	34,991	6
County governments	8,460	13,909	11,407	33,776	6
Private universities	9,123	5,945	5,589	20,657	4
Intermunicipal entities	3,698	7,239	8,145	19,082	3
Indian tribes	4,494	8,166	4,669	17,329	3
Other entities	2,500	1,413	2,061	5,973	1
Townships	1,343	816	1,200	3,358	<1
Independent school districts	800	200	878	1,878	<1
Interstate entities	567	1,058	168	1,792	<1
Foreign recipients	430	175	0	605	<1
<b>Total</b>	<b>139,742</b>	<b>219,635</b>	<b>203,717</b>	<b>563,094</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

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

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 10: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Made by Simplified Competition, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

Type of grantee	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15	Percentage of total, fiscal years 2013–15
Nonprofits	306	8	275	590	60
State universities	0	100	274	373	38
Municipal governments	0	0	10	10	1
County governments	0	9	0	9	1
State governments	0	0	0	0	0
Indian tribes	0	0	0	0	0
Special districts	0	0	0	0	0
Private universities	0	0	0	0	0
Interstate entities	0	0	0	0	0
Intermunicipal entities	0	0	0	0	0
Other entities	0	0	0	0	0
Townships	0	0	0	0	0
Foreign recipients	0	0	0	0	0
Independent school districts	0	0	0	0	0
<b>Total</b>	<b>306</b>	<b>117</b>	<b>559</b>	<b>983</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

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

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 11: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Made As Exceptions to Competition, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

Type of grantee	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15	Percentage of total, fiscal years 2013–15
Nonprofits	3,204	502	8,853	12,559	87
State governments	480	45	183	708	5
State universities	50	9	574	633	4
Special districts	403	0	0	403	3
Indian tribes	0	77	0	77	<1
Private universities	0	45	25	70	<1
Municipal governments	0	25	0	25	<1
Interstate entities	0	0	16	16	<1
County governments	0	0	0	0	0
Intermunicipal entities	0	0	0	0	0
Other entities	0	0	0	0	0
Townships	0	0	0	0	0
Foreign recipients	0	0	0	0	0
Independent school districts	0	0	0	0	0
<b>Total</b>	<b>4,137</b>	<b>703</b>	<b>9,651</b>	<b>14,491</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

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

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 12: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for New Awards Made As Exemptions from Competition, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

<b>Type of grantee</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>	<b>Percentage of total, fiscal years 2013–15</b>
State governments	24,150	41,647	42,433	108,230	<b>38</b>
Indian tribes	19,092	22,569	23,519	65,179	<b>23</b>
Municipal governments	12,113	10,727	12,044	34,884	<b>12</b>
Nonprofits	7,460	7,668	11,569	26,698	<b>9</b>
County governments	4,508	3,402	7,389	15,299	<b>5</b>
Interstate entities	1,735	1,688	5,845	9,268	<b>3</b>
Special districts	1,383	4,011	3,110	8,505	<b>3</b>
State universities	3,032	1,826	2,364	7,222	<b>3</b>
Other entities	285	2,000	434	2,719	<b>1</b>
Townships	1,814	250	0	2,064	<b>&lt;1</b>
Foreign recipients	0	1,094	0	1,094	<b>&lt;1</b>
Intermunicipal	0	500	0	500	<b>&lt;1</b>
Private universities	294	0	0	294	<b>&lt;1</b>
Independent school districts	0	0	0	0	<b>0</b>
<b>Total</b>	<b>75,867</b>	<b>97,382</b>	<b>108,708</b>	<b>281,957</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

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

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 13: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for Supplemental Amendments to Awards, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

Type of grantee	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15	Percentage of total, fiscal years 2013–15
State governments	1,674	2,706	609	4,989	40
Nonprofits	3,248	367	783	4,398	35
Indian tribes	355	429	385	1,169	9
State universities	144	373	153	670	5
Municipal governments	194	276	2	472	4
Special districts	0	379	10	389	3
Townships	0	0	278	278	2
County governments	0	104	25	129	1
Private universities	56	6	21	83	<1
Interstate entities	0	15	0	15	<1
Intermunicipal entities	0	0	0	0	0
Other entities	0	0	0	0	0
Foreign recipients	0	0	0	0	0
Independent school districts	0	0	0	0	0
<b>Total</b>	<b>5,671</b>	<b>4,654</b>	<b>2,267</b>	<b>12,592</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

Some information in this table is for amendments to awards originally made prior to fiscal year 2013.

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



**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 14: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for Incremental Amendments to Awards, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

Type of grantee	Fiscal Year 2013	Fiscal year 2014	Fiscal year 2015	Fiscal years 2013–15	Percentage of total, fiscal years 2013–15
Nonprofits	21,101	25,760	29,972	76,834	30
State governments	31,899	11,311	26,378	69,589	27
State universities	20,556	28,744	11,057	60,357	23
Indian tribes	12,018	5,033	4,743	21,794	8
Private universities	7,157	7,374	3,446	17,978	7
Interstate entities	792	1,986	1,716	4,493	2
County governments	800	1,435	718	2,953	1
Municipal governments	1,349	2,116	392	1,743	<1
Foreign recipients	480	415	725	1,620	<1
Special districts	266	181	45	492	<1
Intermunicipal entities	0	131	0	131	<1
Other entities	0	0	0	0	0
Townships	0	0	0	0	0
Independent school districts	0	0	0	0	0
<b>Total</b>	<b>96,421</b>	<b>82,371</b>	<b>79,192</b>	<b>257,984</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

Some information in this table is for amendments to awards originally made prior to fiscal year 2013.

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

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 15: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for Amendments to Exempt Awards, by Type of Grantee, Fiscal Years 2013–2015**

Dollars in thousands

<b>Type of grantee</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>	<b>Percentage of total, fiscal years 2013–15</b>
State governments	38,513	31,597	48,160	118,269	<b>41</b>
Indian tribes	34,862	32,417	32,698	99,976	<b>35</b>
Nonprofits	7,744	9,425	7,478	24,648	<b>9</b>
Interstate entities	1,294	6,646	3,104	11,044	<b>4</b>
County governments	2,994	2,662	5,318	10,975	<b>4</b>
Special districts	3,545	1,292	1,265	6,103	<b>2</b>
State universities	1,393	2,146	2,499	6,038	<b>2</b>
Other entities	832	343	3,989	5,163	<b>2</b>
Municipal governments	1,799	973	827	3,599	<b>1</b>
Intermunicipal entities	837	568	650	2,055	<b>&lt;1</b>
Private universities	0	0	188	188	<b>&lt;1</b>
Foreign recipients	0	25	0	25	<b>&lt;1</b>
Townships	8	0	0	8	<b>&lt;1</b>
Independent school districts	0	0	0	0	<b>0</b>
<b>Total</b>	<b>93,820</b>	<b>88,094</b>	<b>106,176</b>	<b>288,091</b>	<b>100</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars and percentages are rounded and may not add to totals. Dollars are not adjusted for inflation.

Some information in this table is for amendments to awards originally made prior to fiscal year 2013.

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

Appendix IV: Additional Results from Our  
 Analysis of EPA Data on Discretionary Grants,  
 Fiscal Years 2013–2015

**Table 16: Number of Unique Grantees Receiving Two or More New Environmental Protection Agency (EPA) Discretionary Grant Awards per Fiscal Year, by Type of Grantee, Fiscal Years 2013–2015**

Type of grantee	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015
State governments	21	45	39
State universities	25	37	20
Indian tribes	23	23	18
Municipal governments	23	18	16
Nonprofits	12	8	17
County governments	1	7	7
Special districts	1	5	7
Private universities	2	7	1
Intermunicipal entities	0	2	3
Interstate entities	1	1	1
Other entities	2	0	0
Foreign recipients	1	0	0
Townships	0	0	0
Independent school districts	0	0	0
<b>Total</b>	<b>112</b>	<b>153</b>	<b>129</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: This table shows the number of unique grantees receiving two or more new awards in the same fiscal year. Some grantees received as many as eight awards in a year.

For unique grantees, we are reporting the number of unique D-U-N-S numbers in the EPA data. The D-U-N-S number is a nine-digit identification number assigned each physical location of an entity receiving federal grants. According to OGD officials, this is the best way to count unique grantees, but it is not entirely accurate because large entities, such as universities, could have more than one D-U-N-S number.

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

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 17: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for All New Awards and Amendments to Awards, by Catalog of Federal Domestic Assistance (CFDA) Number and Title, in Order of Largest to Smallest Total Amounts, Fiscal Years 2013–2015**

Dollars in thousands

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	80,518	80,184	68,999	229,700
66.926	Indian Environmental General Assistance Program	49,580	48,433	46,867	144,880
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities relating to the Clean Air Act	45,981	48,250	48,805	143,036
66.466	Chesapeake Bay Program	34,177	41,512	64,718	140,407
66.509	Science to Achieve Results (STAR) Research Program	35,493	62,774	31,591	129,858
66.469	Great Lakes Program	27,871	49,480	44,668	122,019
66.202	Congressionally Mandated Projects	35,844	23,782	30,822	90,447
66.123	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	17,608	15,789	19,832	53,229
66.456	National Estuary Program	14,419	16,526	20,086	51,031
66.039	National Clean Diesel Funding Assistance Program	6,916	16,023	23,796	46,736
66.511	Office of Research and Development Consolidated Research/Training	10,597	10,796	16,799	38,192
66.461	Regional Wetland Program Development Grants	11,602	9,805	12,946	34,354
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	11,608	11,347	10,942	33,897
66.424	Surveys, Studies, Demonstrations and Special Purpose Grants - Section 1442 of the Safe Drinking Water Act	1,137	12,738	11,326	25,201
66.121	Puget Sound Protection and Restoration: Tribal Implementation Assistance Program	7,571	6,440	6,025	20,036
66.038	Training, Investigations, and Special Purpose Activities of Federally-Recognized Indian Tribes Consistent With the Clean Air Act (CAA), Tribal Sovereignty and the Protection and Management of Air Quality	4,989	5,741	5,897	16,627

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.814	Brownfields Training, Research and Technical Assistance Grants and Cooperative Agreements	7,422	4,045	5,075	16,542
66.126	San Francisco Bay Water Quality Improvement Grants	942	4,955	8,748	14,645
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act	2,922	4,318	5,591	12,830
66.708	Pollution Prevention Grants Program	4,162	4,554	3,991	12,708
66.510	Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development	3,117	4,227	4,311	11,655
66.437	Long Island Sound Program	3,624	3,874	3,957	11,455
66.716	Surveys, Studies, Investigations, Training, Demonstrations & Educational Outreach	2,433	4,440	4,384	11,256
66.815	Brownfields Job Training Cooperative Agreements	3,029	3,601	3,392	10,022
66.951	Environmental Education Grants	2,175	2,778	4,166	9,119
66.481	Lake Champlain Basin Program	2,268	1,399	4,396	8,063
66.950	Environmental Education and Training Program	2,425	1,828	2,176	6,429
66.037	Internships, Training, Workshops and Fellowships for the Office of Air and Radiation (Fellowships to individuals not subject to certification policy)	2,210	2,080	2,087	6,377
66.475	Gulf of Mexico Program	1,156	2,903	0	4,059
66.203	Environmental Finance Center Grants	1,078	912	1,863	3,852
66.125	Lake Pontchartrain Basin Restoration Program (PRP)	1,776	948	948	3,672
66.816	Headquarters and Regional Underground Storage Tanks Program	1,314	1,184	1,109	3,608
66.931	International Financial Assistance Projects Sponsored by the Office of International Affairs	1,033	1,019	1,383	3,435
66.717	Source Reduction Assistance	898	1,129	840	2,867
66.440	Urban Waters Small Grants	530	2,153	150	2,833

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.516	P3 Award: National Student Design Competition for Sustainability	622	1,869	0	2,492
66.462	National Wetland Program Development Grants	751	255	1,304	2,309
66.604	Environmental Justice Small Grants Program	1,238	41	1,020	2,300
66.611	Environmental Policy and Innovation Grants	628	765	835	2,228
66.110	Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator	29	332	1,762	2,123
66.033	Ozone Transport	639	639	635	1,913
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training and Hazardous Substance Research Grants	780	415	675	1,870
66.808	Solid Waste Management Assistance	676	562	540	1,779
66.806	Superfund Technical Assistance Grants (TAG) for Community Groups at National Priority List (NPL) Sites	558	563	395	1,515
66.122 <sup>a</sup>	Puget Sound Action Agenda Outreach, Education and Stewardship Support Program	989	0	0	989
66.305	Compliance Assistance-Support for Services to the Regulated Community and Other Assistance Providers	265	370	240	875
66.709 <sup>a</sup>	Multi-Media Capacity Building Grants for States and Tribes	300	527	0	827
66.042	Temporary Integrated Monitoring of Ecosystems (TIME) and Long-Term Monitoring (LTM) Program	130	491	130	751
66.714	Pesticide Environmental Stewardship - Regional Grants	150	470	25	645
66.612	Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach Related to Environmental Information and the Release of Toxic Chemicals	275	175	175	625
66.610	Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator	0	83	325	408

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.517	Regional Applied Research Efforts (RARE)	201	0	0	201
66.309	Surveys, Studies, Investigations and Special Purpose Activities Relating to Environmental Justice	0	7	60	67
66.128	Southeastern Multi-Media and Geographic Priority Projects	41	0	15	56
66.810 <sup>a</sup>	Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program	14	0	0	14
<b>Total</b>		<b>448,712</b>	<b>519,532</b>	<b>530,821</b>	<b>1,499,064</b>

Source: GAO analysis of EPA data. | GAO-17-161

Notes: Dollars are rounded and may not add to totals. Dollars are not adjusted for inflation.

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<sup>a</sup>This program is inactive. See appendix III for a list of active EPA discretionary grant programs.

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

**Table 18: Amounts of Environmental Protection Agency (EPA) Discretionary Grant Dollars for All New Awards and Amendments to Awards, by Catalog of Federal Domestic Assistance (CFDA) Number and Title, in Order of Increasing CFDA Number, Fiscal Years 2013–2015**

Dollars in thousands

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.033	Ozone Transport	639	639	635	1,913
66.034	Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities relating to the Clean Air Act	45,981	48,250	48,805	143,036
66.037	Internships, Training, Workshops and Fellowships for the Office of Air and Radiation (Fellowships to individuals not subject to certification policy)	2,210	2,080	2,087	6,377
66.038	Training, Investigations, and Special Purpose Activities of Federally-Recognized Indian Tribes Consistent With the Clean Air Act (CAA), Tribal Sovereignty and the Protection and Management of Air Quality	4,989	5,741	5,897	16,627
66.039	National Clean Diesel Funding Assistance Program	6,916	16,023	23,796	46,736
66.042	Temporary Integrated Monitoring of Ecosystems (TIME) and Long-Term Monitoring (LTM) Program	130	491	130	751
66.110	Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator	29	332	1,762	2,123
66.121	Puget Sound Protection and Restoration: Tribal Implementation Assistance Program	7,571	6,440	6,025	20,036
66.122 <sup>a</sup>	Puget Sound Action Agenda Outreach, Education and Stewardship Support Program	989	0	0	989
66.123	Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	17,608	15,789	19,832	53,229
66.125	Lake Pontchartrain Basin Restoration Program (PRP)	1,776	948	948	3,672
66.126	San Francisco Bay Water Quality Improvement Grants	942	4,955	8,748	14,645
66.128	Southeastern Multi-Media and Geographic Priority Projects	41	0	15	56



**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.202	Congressionally Mandated Projects	35,844	23,782	30,822	90,447
66.203	Environmental Finance Center Grants	1,078	912	1,863	3,852
66.305	Compliance Assistance-Support for Services to the Regulated Community and Other Assistance Providers	265	370	240	875
66.309	Surveys, Studies, Investigations and Special Purpose Activities Relating to Environmental Justice	0	7	60	67
66.424	Surveys, Studies, Demonstrations and Special Purpose Grants - Section 1442 of the Safe Drinking Water Act	1,137	12,738	11,326	25,201
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act	2,922	4,318	5,591	12,830
66.437	Long Island Sound Program	3,624	3,874	3,957	11,455
66.440	Urban Waters Small Grants	530	2,153	150	2,833
66.456	National Estuary Program	14,419	16,526	20,086	51,031
66.461	Regional Wetland Program Development Grants	11,602	9,805	12,946	34,354
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66.469	Great Lakes Program	27,871	49,480	44,668	122,019
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66.481	Lake Champlain Basin Program	2,268	1,399	4,396	8,063
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66.510	Surveys, Studies, Investigations and Special Purpose Grants within the Office of Research and Development	3,117	4,227	4,311	11,655
66.511	Office of Research and Development Consolidated Research/Training	10,597	10,796	16,799	38,192
66.516	P3 Award: National Student Design Competition for Sustainability	622	1,869	0	2,492
66.517	Regional Applied Research Efforts (RARE)	201	0	0	201
66.604	Environmental Justice Small Grants Program	1,238	41	1,020	2,300
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	11,608	11,347	10,942	33,897

**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.610	Surveys, Studies, Investigations and Special Purpose Grants within the Office of the Administrator	0	83	325	408
66.611	Environmental Policy and Innovation Grants	628	765	835	2,228
66.612	Surveys, Studies, Investigations, Training Demonstrations and Educational Outreach Related to Environmental Information and the Release of Toxic Chemicals	275	175	175	625
66.708	Pollution Prevention Grants Program	4,162	4,554	3,991	12,708
66.709 <sup>a</sup>	Multi-Media Capacity Building Grants for States and Tribes	300	527	0	827
66.714	Pesticide Environmental Stewardship - Regional Grants	150	470	25	645
66.716	Surveys, Studies, Investigations, Training, Demonstrations & Educational Outreach	2,433	4,440	4,384	11,256
66.717	Source Reduction Assistance	898	1,129	840	2,867
66.806	Superfund Technical Assistance Grants (TAG) for Community Groups at National Priority List (NPL) Sites	558	563	395	1,515
66.808	Solid Waste Management Assistance	676	562	540	1,779
66.810 <sup>a</sup>	Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program	14	0	0	14
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66.815	Brownfields Job Training Cooperative Agreements	3,029	3,601	3,392	10,022
66.816	Headquarters and Regional Underground Storage Tanks Program	1,314	1,184	1,109	3,608
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**Appendix IV: Additional Results from Our  
Analysis of EPA Data on Discretionary Grants,  
Fiscal Years 2013–2015**

<b>CFDA number</b>	<b>Title</b>	<b>Fiscal year 2013</b>	<b>Fiscal year 2014</b>	<b>Fiscal year 2015</b>	<b>Fiscal years 2013–15</b>
66.931	International Financial Assistance Projects Sponsored by the Office of International Affairs	1,033	1,019	1,383	3,435
66.950	Environmental Education and Training Program	2,425	1,828	2,176	6,429
66.951	Environmental Education Grants	2,175	2,778	4,166	9,119
<b>Total</b>		<b>448,712</b>	<b>519,532</b>	<b>530,821</b>	<b>1,499,064</b>

Source: GAO analysis of EPA data. | GAO-17-161

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<sup>a</sup>This program is inactive. See appendix III for a list of active EPA discretionary grant programs.

# Appendix V: Comments from the Environmental Protection Agency



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

DEC 28 2016

OFFICE OF  
ADMINISTRATION  
AND RESOURCES  
MANAGEMENT

Mr. J. Alfredo Gomez  
Director  
Natural Resources and Environment  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Gomez:

Thank you for the opportunity to comment on the Government Accountability Office's draft report, GAO-17-161, *EPA Has Taken Steps to Improve Competition for Discretionary Grants but Could Make Information More Readily Available*.

The draft report addresses: 1) how EPA manages competition for discretionary grants; 2) how much in discretionary grants EPA provided from fiscal years 2013 through 2015 and to what types of grantees; and 3) the information EPA makes publicly available on discretionary grants. This letter provides EPA's response to the draft report's findings, conclusions and recommendations.

At the outset, we commend your staff for the thoughtful and professional manner in which they conducted the review and engaged with affected EPA offices. We are pleased that the draft report acknowledges that EPA has taken steps to improve the competition process for discretionary grants and EPA will continue to take steps to strengthen its competition programs in the future.

The EPA generally agrees with the findings and conclusions in the draft report. EPA agrees that there are opportunities to explore how to better develop guidance for tracking grants and determine how to make more complete information on discretionary grants publicly available and as noted in the draft report EPA has already taken steps to do so. The Agency will continue these efforts in 2017 subject to budgetary and resource constraints, and in coordination with relevant parties. The Agency's specific response to the two recommendations in the draft report is provided below. Additionally, we have provided an enclosure with technical comments for your consideration.

**Recommendation 1-Provide clear guidance to EPA staff to help ensure that staff**

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**correctly identify all EPA discretionary grant programs in the agency's internal grants management system.**

The EPA agrees with this recommendation and as acknowledged in the draft report has already taken several actions to address it. This includes developing, in coordination with EPA program offices and the Office of General Counsel, a list of active discretionary grant programs and posting it on the EPA intranet and internet to ensure widespread dissemination to EPA staff and public transparency. As new programs are developed, EPA will determine whether they are discretionary or not. EPA also now includes a statement in section 070 of its Catalog of Federal Domestic Assistance (CFDA) program descriptions on whether the program makes awards on a discretionary basis and will continue to do so in the future. EPA also expects to be involved in GSA efforts in 2017 to improve CFDA descriptions which may relate to changes to the CFDA templates that could improve discretionary grant designations. Additionally, in 2017, EPA will assess whether other actions need to be taken to better identify discretionary grant programs in its internal grants management systems including training for grants personnel to ensure consistency in defining discretionary grant programs.

**Recommendation 2-Determine how to make more complete information on EPA's discretionary grants publicly available, such as by posting timely and complete reports on its website.**

EPA agrees with this recommendation. In 2017, EPA will begin to examine whether, and how, it can use its new internal Next Generation Grants System, which is being deployed in phases, to generate more timely and complete reports related to discretionary grants and make them publicly available. Two areas that EPA intends to explore at the outset are:

1. The ability of the system to generate more timely and complete information that can be posted on the EPA website on the number of applications received (and from which types of entities) for the Agency's open competitive opportunities; and
2. The ability to post an annual report on the amount of funds per discretionary grant program broken down by whether they were new awards or amendments.

Again, thank you for the opportunity to provide comments on the draft report and for the professionalism and diligence of your staff in conducting the review and working with EPA staff. If you should have any questions please contact Denise Polk, Director, Office of Grants

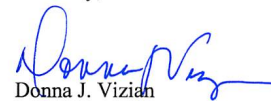
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**Appendix V: Comments from the  
Environmental Protection Agency**

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and Debarment, at 202-564-5306 or Bruce Binder, Senior Associate Director for Grants Competition, at 202-564-4935.

Sincerely,



Donna J. Vizian  
Principal Deputy Assistant Administrator

Enclosure

cc: EPA GAO Liaison Team  
EPA Assistant Administrators  
EPA Regional Administrators  
General Counsel  
Deputy Regional Administrators  
Senior Resource Officials  
Inspector General  
Denise Polk  
Bruce Binder  
Michael Osinski  
Laurice Jones  
William Etheredge  
Elizabeth January  
Val Swan Townsend  
Grants Management Officers  
Junior Resource Officials

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# Appendix VI: GAO Contact and Staff Acknowledgments

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## GAO Contact

J. Alfredo Gómez, (202) 512-3841 or [gomezj@gao.gov](mailto:gomezj@gao.gov)

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## Staff Acknowledgments

In addition to the individual named above, Janet Frisch (Assistant Director), Enyinnaya David Aja, Emily Christoff, Ellen Fried, Cindy Gilbert, Chad M. Gorman, Mitchell Karpman, and Jeanette Soares made key contributions to this report.

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# Related GAO Products

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*Grants Management: EPA Could Improve Certain Monitoring Practices.* [GAO-16-530](#). Washington, D.C.: July 14, 2016.

*Grants Management: EPA Has Opportunities to Improve Planning and Compliance Monitoring.* [GAO-15-618](#). Washington, D.C.: August 17, 2015.

*Environmental Protection Agency: Progress Has Been Made in Grant Reforms, but Weaknesses Remain in Implementation and Accountability.* [GAO-06-774T](#). Washington, D.C.: May 18, 2006.

*Grants Management: EPA Has Made Progress in Grant Reforms but Needs to Address Weaknesses in Implementation and Accountability.* [GAO-06-625](#). Washington, D.C.: May 12, 2006.

*Grants Management: EPA Needs to Strengthen Efforts to Provide the Public with Complete and Accurate Information on Grant Opportunities.* [GAO-05-149R](#). Washington, D.C.: February 3, 2005.

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

*Grants Management: EPA Needs to Strengthen Efforts to Address Management Challenges.* [GAO-04-510T](#). Washington, D.C.: March 3, 2004.

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*Environmental Protection Agency: Problems Persist in Effectively Managing Grants.* [GAO-03-628T](#). Washington, D.C.: June 11, 2003.

*Major Management Challenges and Program Risks: Environmental Protection Agency.* [GAO-03-112](#). Washington, D.C.: January 1, 2003.



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