



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We performed this audit to quantify unused Special Appropriation Act Project (SAAP) funds and to determine whether the U.S. Environmental Protection Agency (EPA) awarded funds and grantees used the funds in a timely manner. This report corrects some information contained in a previously issued report (Report No. 10-P-0041).

Background

EPA has estimated that up to \$1 trillion will be needed over the next 20 years to repair, replace, or upgrade aging drinking water and wastewater facilities; accommodate a growing population; and meet new water quality standards. A congressional earmark is part of an appropriation designated by Congress to be spent on a particular project. Congress appropriates SAAP grant funds in the form of earmarks for water infrastructure projects. Recipients generally must provide at least 45 percent of the total cost of the project to qualify for the grants.

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2010/20100322-10-P-0081.pdf

EPA Needs Procedures to Address Delayed Earmark Projects

What We Found

Some SAAP funds were still unobligated 5 years after Congress appropriated them. Frequently, earmark recipients either could not obtain the matching funds required to obtain the grants, or the projects were complex and required extensive planning. As of April 2009, there were 84 earmarks that Congress appropriated before Fiscal Year 2004 totaling over \$28 million that still had funds that had not been obligated.

Additionally, as of April 2009, there were 119 SAAP grants that EPA awarded prior to Fiscal Year 2004 that had total funds remaining of over \$122 million. In many cases, funds were not completely spent because the recipient had to make changes to the work plan, or the recipient was required to comply with various State and local regulations, thereby delaying the project.

EPA established the goal of completing SAAP projects within 5 years of grant award. However, EPA does not believe it has the authority to take action or require corrective action for delayed SAAP earmarks or grants. EPA has no defined process for its regions to contact sponsoring Members of Congress about reallocating unused SAAP funds. EPA needs a policy that specifies time limits and procedures for addressing earmarks that remain unobligated. It should also address steps to be taken when projects are delayed. Currently, unless Congress initiates a rescission, millions of dollars are available for projects that may never get started, while other projects that could improve the environment are not funded.

What We Recommend

We recommend that the Office of Water establish a national policy that creates a response framework for dealing with unobligated earmarks. The framework should include criteria for when to escalate the handling of unobligated earmarks. We also recommend that the policy address actions to be taken when projects are delayed, and include an exception reporting procedure to focus management attention on delayed projects. EPA agreed with our recommendations and agreed to draft policies and reporting procedures within 6 months and finalize and implement those procedures within 1 year of our report being issued. These corrective actions, when implemented, should adequately address the findings.