EPA OIG PODCAST TRANSCRIPT

TOPIC: EPA Needs to Measure and Track Performance of Programs Eliminated in President's Budget but Later Funded by Congres

Jeff: In this podcast, we're taking an in-depth look at the EPA's need to develop a better process to track performance measures for programs that have been funded by Congress even after being eliminated from the President's Budget.

Hello and welcome to this podcast by the Office of Inspector General for the U.S. Environmental Protection Agency. My name is Jeffrey Dehoff, and joining me today is Roopa Mulchandani, a program analyst who just finished working on an evaluation to determine whether the U.S. Environmental Protection Agency's Office of the Chief Financial Officer has processes in place to ensure that EPA programs eliminated in the President's Budget but later funded by congressional appropriation have the necessary performance measures and are tracked appropriately.

Thanks for joining us, Roopa.

Roopa: Thank you, Jeff. It's good to be here.

Jeff: To begin, can you break down the funding process so it is easier to understand what was discovered through the OIG evaluation? How does the normal process function?

Roopa: For each upcoming fiscal year, the president develops a budget proposal that is referred to as the President's Budget. In it, the president outlines his administration's priorities based upon proposals that the various federal agencies submit to the White House for consideration.

The President's Budget transmits this proposal to Congress each year in February. Appropriations Committees in the House of Representatives and the Senate analyze the president's proposal, make decisions, and draft a budget resolution that sets fiscal-year spending levels for the federal government. Congress and the president then work together to, respectively, pass the appropriations bills and sign those bills into law. The total funding stipulated from that process becomes the enacted federal budget for that fiscal year.

Obviously, I'm summarizing here, but it is through this process that the President and Congress decide which programs will be funded for continuation.

Jeff: So, if a program from a previous year was not included in the President's Budget, it can still end up receiving funding from Congress?

Roopa: That's correct. The President's Budget is a proposal outlining the administration's priorities for the coming year. If a program that was funded in previous years is absent from the President's Budget, Congress can take that omission as a signal that the current administration doesn't, or no longer, considers that program a priority. Still, Congress has the discretion to either fund or not fund the program in question as part of the final budget. If Congress decides to fund a program in an appropriation bill – even if it wasn't part of the president's submission – and the president signs the bill into law, then that program still has to be administered, implemented, and measured according to applicable laws and policies. We refer to these programs as eliminated-then-funded programs.

Jeff: Okay, thank you, that helps explain how those programs survive that process and are eventually funded. But that still leaves out how these programs might miss out on being tracked. You mentioned that all funded programs must be measured. Let me ask you: How are programs normally tracked at the EPA?

Roopa: The President's Budget highlights Agency Priority Goals that advance the EPA's strategic goals and priorities and specific programs. Program offices within the Agency implement actions to help meet the goals and objectives included in the EPA's Strategic Plan. Program offices are responsible for measuring not only program performance but also human health and environmental outcomes. By measuring outcomes, the EPA can both show proper use of appropriated funds and provide reasonable assurance to the public that those funds achieve results. Program offices accomplish these goals through appropriate measure development, data collection, and annual reporting.

Jeff: So who does the measuring and how is it done?

Roopa: The Government Performance and Results Act Modernization Act of 2010 requires federal agencies to plan for, measure, and be accountable for achieving program results. At the EPA, those responsibilities fall to the Office of the Chief Financial Officer.

Jeff: Does the Office of the Chief Financial Officer only track what was in the President's Budget?

Roopa: Well, the Office of the Chief Financial Officer issues yearly guidance to EPA program offices regarding the development and tracking of performance measures for EPA programs, but only for the ones included in the President's Budget. The Office of the Chief Financial Officer has not, however, issued written guidance that explicitly instructs development and tracking of performance measures for eliminated-then-funded programs after they have received appropriations from Congress. The Office of the Chief Financial Officer also has not been verifying whether such measures have been developed for eliminated-then-funded programs or whether those measures are tracked.

Jeff: Thank you for that overview, Roopa. Can you also provide some examples of what your team found during the evaluation?

Roopa: Sure. The Office of the Chief Financial Officer indicated that the same programs tended to be eliminated-than-funded each year, which contributed to challenges in tracking their performance. The President's Budget would leave them out and the Office of the Chief Financial Officer would instruct program offices to make sure that measures were developed for the programs that remained in the President's Budget. But then Congress would provide funding for the programs that had been left out. The step that was missing was for the Office of the Chief Financial Officer to go back after the eliminated-then-funded programs received funding and make sure they had measures in place.

More specifically, from fiscal years 2018 through 2020, the EPA was appropriated nearly $2.4 billion for the eliminated-then-funded programs without that process in place to make sure those eliminated-then-funded programs had measures. We found that over a short period the EPA saw a more than 1,400 percent increase in the average number of annual eliminated-then-funded programs.

For five eliminated-then-funded programs we reviewed, three were not centrally tracked in the EPA's system that houses Agency performance measurement data, one only centrally tracked partial performance measures, and one centrally tracked all performance measures.

Jeff: So, what recommendations did the OIG make to fix the issues?

Roopa: We recommended that the Office of the Chief Financial Officer develop written guidance that explicitly states eliminated-then-funded programs have performance measures if funded by congressional appropriations and an annual process to verify that these programs have performance measures in place and identify where those measures are tracked.

EPA officials agreed with both of our recommendations and provided acceptable corrective actions and completion dates.

Jeff: Were there any other significant outcomes?

Roopa: Yes, as a result of our evaluation the Office of the Chief Financial Officer has surveyed EPA program offices to better understand which eliminated-then-funded programs have developed performance measures, and issued guidance for developing the Fiscal Year 2022 Congressional Justification, including instructions to identify performance measures or specific mechanisms to monitor progress for eliminated then funded programs. The Office of the Chief Financial Officer reported that 35 of the 43 fiscal year 2021 eliminated-then-funded programs identified already are tracking performance measures and provided this documentation to the OIG. So that's a good start.

Jeff: Thank you so much for sharing your time and expertise with us today, Roopa. And thank you to our listeners for joining us. For more information about this and other OIG work, you can find all of our public reports on our website at www.epa.gov/oig. And be sure to follow us on Twitter