



OFFICE OF INSPECTOR GENERAL U.S. ENVIRONMENTAL PROTECTION AGENCY

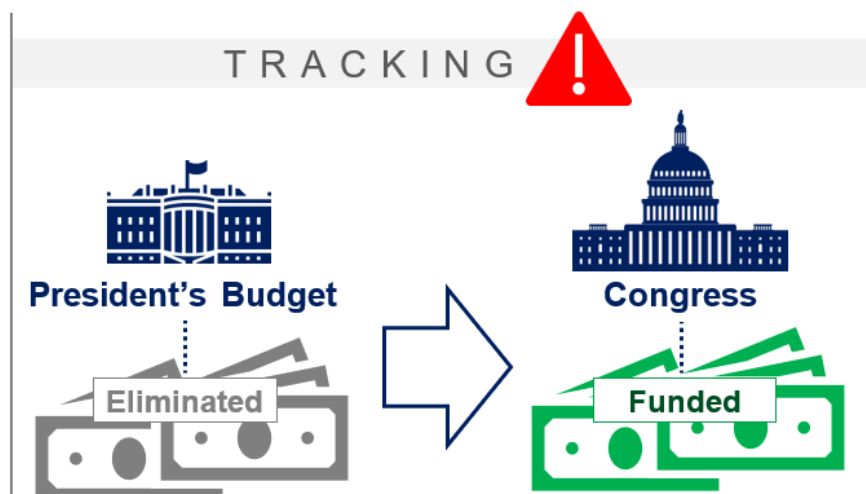
CUSTOMER SERVICE ★ INTEGRITY ★ ACCOUNTABILITY

Operating efficiently and effectively

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

Report No. 21-E-0219

September 2, 2021



Report Contributors: Erin Barnes-Weaver
Jaya Brooks
Lauretta Joseph
Chad Kincheloe
Roopa Mulchandani
Thane Thompson

Abbreviations:

EPA	U.S. Environmental Protection Agency
ETF	Eliminated-Then-Funded
FY	Fiscal Year
GPRAMA	Government Performance and Results Act Modernization Act of 2010
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
OPAA	Office of Planning, Analysis, and Accountability

Key Definitions:

ETF Program	A program eliminated from the President’s Budget but funded by Congress in an appropriation bill that the president then signed into law.
Internal Controls	A process used by management to help an entity achieve its objectives.

Cover Image: The EPA is not tracking required performance measures for all programs that were eliminated in the President’s Budget but later funded by Congress. (EPA OIG image)

Are you aware of fraud, waste, or abuse in an EPA program?

EPA Inspector General Hotline
1200 Pennsylvania Avenue, NW (2431T)
Washington, D.C. 20460
(888) 546-8740
(202) 566-2599 (fax)
OIG_Hotline@epa.gov

Learn more about our [OIG Hotline](#).

EPA Office of Inspector General
1200 Pennsylvania Avenue, NW (2410T)
Washington, D.C. 20460
(202) 566-2391
www.epa.gov/oig

Subscribe to our [Email Updates](#)
Follow us on Twitter [@EPAoig](#)
Send us your [Project Suggestions](#)



Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

21-E-0219
September 2, 2021

Why We Did This Evaluation

We conducted this 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 required performance measures.

The President's Budget outlines an administration's yearly priorities. While the President's Budget eliminates federal programs that do not align with the administration's priorities, those programs may still be funded by Congress. In accordance with the Government Performance and Results Act Modernization Act of 2010, each agency must develop an annual performance plan that establishes performance goals for each funded program activity in the agency appropriation. The Act also specifies that performance goals be expressed in an objective, quantifiable, and measurable form unless an alternative format is authorized.

This evaluation supports an EPA mission-related effort:

- *Operating efficiently and effectively.*

This evaluation addresses a top EPA [management challenge](#):

- *Complying with key internal control requirements (policies and procedures).*

Address inquiries to our public affairs office at (202) 566-2391 or [OIG WEBCOMMENTS@epa.gov](mailto:OIG_WEBCOMMENTS@epa.gov).

[List of OIG reports.](#)

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

What We Found

From fiscal years 2018 through 2020, the EPA was appropriated nearly \$2.4 billion for programs that were eliminated in the President's Budget but then later funded by congressional appropriation. During that time frame, the EPA did not have internal controls in place for these eliminated-then-funded, or ETF, programs to ensure that program activities were measured and tracked. In that same time period, the EPA saw a more than 1,400-percent increase in the average number of annual ETF programs. The Office of the Chief Financial Officer indicated that the repeated ETF nature of these programs contributed to the challenges in tracking performance.

Without internal controls to track ETF program performance, the EPA risks underreporting environmental and human health outcomes.

The OCFO does issue yearly guidance regarding the development and tracking of performance measures for EPA programs included in the Agency's annual performance plans and Congressional Justifications, which are written in conjunction with and in support of the President's Budget. The OCFO had not, however, issued written guidance that explicitly instructs ETF programs to develop and track performance measures after they receive funds from Congress. The OCFO also does not verify whether ETF programs have developed performance measures and, if so, where those measures are tracked. For the five ETF programs we reviewed, three were not centrally tracked in the EPA's system that houses Agency performance measurement data, one centrally tracked only partial performance measures, and one centrally tracked all performance measures.

Recommendations and Planned Agency Corrective Actions

We recommend that the OCFO develop (1) written guidance that explicitly states that ETF programs must develop performance measures if funded by congressional appropriations and (2) an annual process to verify that ETF programs have performance measures in place and identify where those measures are tracked. All recommendations are resolved with corrective actions pending.

Noteworthy Achievement

As a result of our evaluation, the OCFO surveyed program offices to better understand which ETF programs had developed performance measures. The OCFO reported that 35 of the 43 programs it identified as ETF in fiscal year 2021 are tracking performance measures and provided this documentation to the Office of Inspector General.



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

THE INSPECTOR GENERAL

September 2, 2021

MEMORANDUM

SUBJECT: EPA Needs to Measure and Track Performance of Programs Eliminated in President's Budget but Later Funded by Congress
Report No. 21-E-0219

FROM: Sean W. O'Donnell

A handwritten signature in blue ink that reads "Sean W O'Donnell".

TO: Faisal Amin, Chief Financial Officer

This is our report on the subject evaluation conducted by the Office of Inspector General of the U.S. Environmental Protection Agency. The project number for this evaluation was [OE-FY21-0135](#). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The Office of the Chief Financial Officer is responsible for the issues discussed in this report.

In accordance with EPA Manual 2750, your office provided acceptable planned corrective actions in response to the two OIG recommendations. All recommendations are resolved with corrective actions pending, and no final response to this report is required. If you submit a response, however, it will be posted on the OIG's website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

Table of Contents

Purpose	1
Background.....	1
Federal and EPA Budget Process and Priorities	1
Roles and Responsibilities	2
Eliminated-Then-Funded Programs	3
Internal Controls and Measurement.....	6
Responsible Office	6
Noteworthy Achievement.....	6
Scope and Methodology	6
Results.....	7
Explicit Guidance and Processes Needed for ETF Program Performance Measures	8
Performance Measures Not Centrally Tracked for All ETF Programs	8
OCFO Needs to Verify Whether ETF Programs Track Performance Measures	10
Conclusions.....	10
Recommendations.....	10
Agency Response and OIG Assessment	10
Status of Recommendations	11

Appendixes

A Agency Response to Draft Report	12
B Distribution	15

Purpose

The U.S. Environmental Protection Agency’s Office of Inspector General conducted this evaluation to determine whether the 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 required performance measures.

Top Management Challenge Addressed

This evaluation addresses the following top management challenge for the Agency, as identified in OIG Report No. [20-N-0231](#), *EPA’s FYs 2020–2021 Top Management Challenges*, issued July 21, 2020:

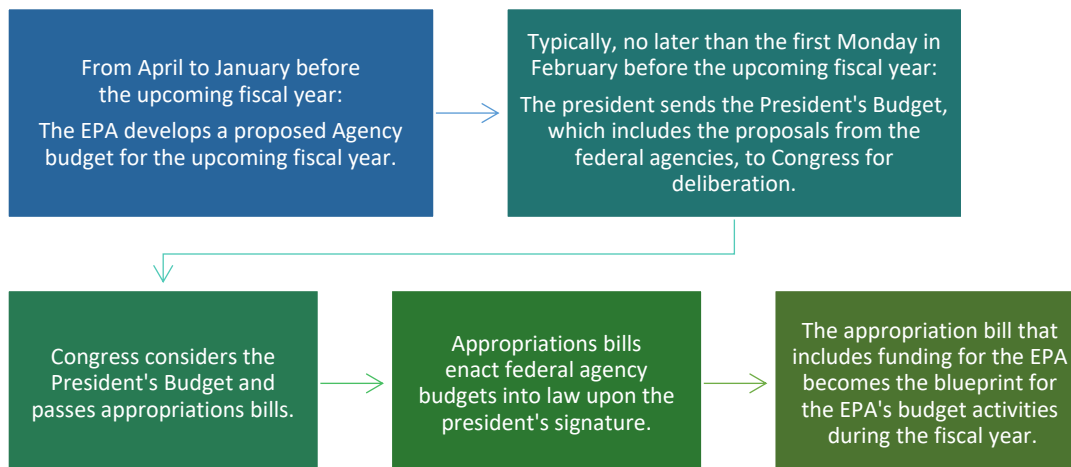
- Complying with key internal control requirements (policies and procedures).

Background

Federal and EPA Budget Process and Priorities

For each upcoming fiscal year, which runs from October 1 through September 30, the president develops the *Budget of the U.S. Government*, also referred to as the President’s Budget. The President’s Budget outlines an administration’s priorities and is based upon the budget proposals that the federal agencies submit to the White House for consideration. The president typically transmits the President’s Budget to Congress the first week of February, eight months before the upcoming fiscal year begins and in correlation with the State of the Union speech. Congress then analyzes the President’s Budget and drafts a budget resolution that sets fiscal-year spending levels for the federal government. Once Congress passes the appropriations bills and the president signs those bills into law, the total funding stipulated becomes the enacted federal budget for that fiscal year. See Figure 1 for additional details on the federal budget process, including the EPA’s actions.

Figure 1: EPA’s budget process



Source: OIG summary of federal budget materials. (EPA OIG image)

The President’s Budget highlights the “Agency Priority Goals” that advance the EPA’s strategic goals, priorities, and specific programs. These “Agency Priority Goals” are detailed in the EPA’s strategic plan, which describes how the Agency will work toward its mission to protect human health and the

environment. The EPA’s strategic plan also identifies the long-term performance goals that describe the measurable environmental and human health outcomes that the public can expect from the EPA’s efforts.

Tracking of such outcomes is one component of the Government Performance and Results Act Modernization Act of 2010, or GPRAMA, which requires federal agencies to plan for, measure, and be accountable for achieving program results. For example, the GPRAMA emphasizes setting priorities, cross-organizationally collaborating to achieve shared goals, and using goal and measure analyses to improve outcomes of federally funded programs. Not all programs have the same types of program measures. If it is not feasible to express performance goals for a particular program activity in an objective, quantifiable, and measurable form, the GPRAMA allows an agency, in consultation with the director of the Office of Management and Budget, to develop an alternative form of program measurement for that activity.

Roles and Responsibilities

The EPA’s OCFO:

- Implements GPRAMA, including:
 - Formulating and managing the EPA’s annual budget and Annual Performance Plan.

Annual Performance Plan

The EPA develops an annual performance plan, which is incorporated into its budget request submitted to the White House. This annual performance plan outlines what the programs will use the requested funds for, what environmental or human health risks those programs will address, and how those programs will attempt to reduce those risks.
 - Coordinating the EPA’s strategic planning efforts.
 - Developing the EPA’s annual Performance and Accountability Report, which is issued as part of the Annual Performance Plan and the *Justification of Appropriation Estimates for the Committee on Appropriations* document, also called the Congressional Justification.

Congressional Justification

When the president submits the President’s Budget to Congress, the EPA also submits a Congressional Justification to Congress, which includes information about the Agency’s spending for the current and prior federal fiscal year, as well as the Agency’s proposed budget for the upcoming fiscal year. The Congressional Justifications typically provide updates on the Agency’s programs, initiatives, projects, activities, and use of the previous fiscal year’s appropriations.
- Provides policy, reports, and oversight that are essential for the EPA’s financial operations.
- Helps plan, develop, and deploy financial- and resource-management systems for the Agency.

Two offices within the OCFO play important roles in planning, budgeting, and reporting:

- The Office of Budget, which serves as the Agency’s central budget office responsible for the formulation and defense of the EPA’s Annual Performance Plan and proposed budget submitted for the President’s Budget. The Office of Budget provides guidance to the Agency regarding the proper use, accounting, and reporting of resources. The Office of Budget also allocates the EPA’s

resources through a multiyear- and annual-planning process, the annual budget process, and accounting processes.

- The Office of Planning, Analysis, and Accountability, which serves as the Agency's lead for strategic planning, annual planning, and performance management and reporting efforts. The OPAA implements the GPRAMA and works to align strategies, measures, and budget resources to accomplish Agency goals. Before the upcoming fiscal year begins, the OPAA sends guidance to the EPA's program offices describing how to develop and track performance measures for those programs included in the Agency's Annual Performance Plan and the Congressional Justification. The EPA develops these documents in conjunction with and in support of the priorities outlined in the President's Budget.

According to the OPAA, it worked with the Office of Budget to create a Performance Module within the Agency's internal Budget Formulation System. The OPAA told us that this Performance Module:

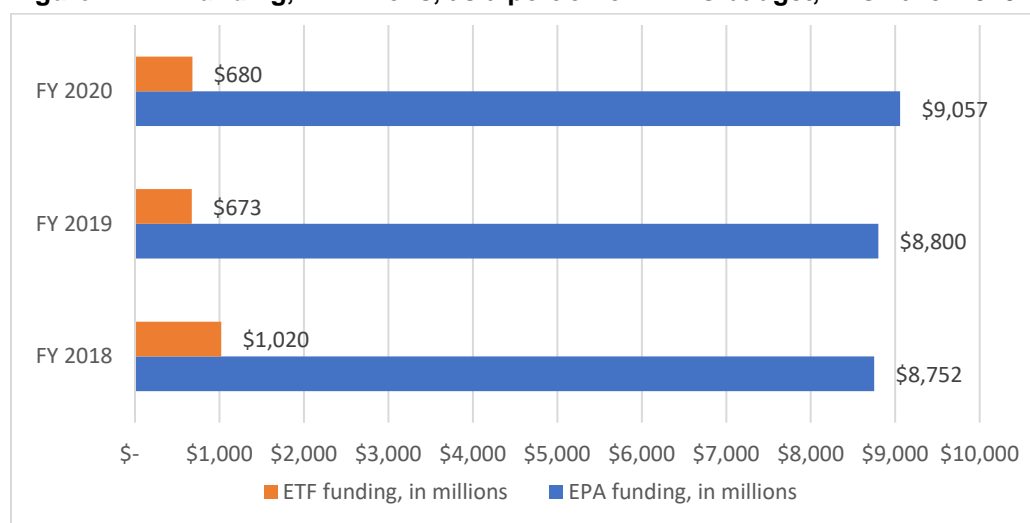
- Centrally houses and tracks performance measurement data, including performance measures externally reported in the Annual Performance Plan and internally tracked by Agency senior leaders.
- Includes a reporting tool, called the Performance Dashboard, that displays the performance measurement data. The Performance Dashboard was developed in and displays data starting from FY 2019 but, according to the OPAA, does not include all performance measures reported into the Performance Module.

Program offices 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 this through appropriate measure development, data collection, and annual reporting.

Eliminated-Then-Funded Programs

Every fiscal year, the EPA manages the current year's budget and performance activities; plans for the next year's activities; and reports to the president, Congress, and the American public on the prior year's achievements and challenges. Each administration uses the President's Budget to give an indication of its priorities for the coming year. Programs that are eliminated from the President's Budget can be seen as signals to Congress that the administration no longer considers those programs as priorities. Congress then has the discretion to either fund or not fund those programs in the final appropriation bill. However, if Congress does fund those programs in an appropriation bill and the president signs the bill into law, all programs funded in that bill must be administered, implemented, and measured according to applicable laws and policies. For the purpose of this report, these programs are referred to as eliminated-then-funded, or ETF, programs. Figure 2 depicts ETF programs as a portion of the EPA's budget from FYs 2018 through 2020.

Figure 2: ETF funding, in millions, as a portion of EPA's budget, FYs 2018–2020



Source: OIG analysis of EPA budget information. (EPA OIG image)

From FYs 2015 through 2017, the average number of EPA ETF programs in each President’s Budget was less than three. From FYs 2018 through 2020, the average number of annual ETF programs increased more than 1,400 percent compared to prior fiscal years. During FYs 2018 through 2020, the same group of 35 to 46 EPA programs were eliminated from each President’s Budget and then ultimately funded through congressional appropriations.

The EPA’s ETF program areas ranged from Alternative Dispute Resolution activities to waste-reduction and water-protection efforts, with individual program funding levels for FY 2020 that ranged between \$808,000 and \$172 million. These ETF programs had an average total annual funding level of \$791 million and an overall total of \$2.373 billion over all three fiscal years. Table 1 lists all the EPA’s ETF programs from FYs 2018 through 2020.

Table 1: FYs 2018–2020 ETF programs (\$ in millions)*

ETF program	FY 2020		FY 2019		FY 2018	
	Estimated Enacted Budget ^a	President’s Budget	Annualized Continuing Resolution ^b	President’s Budget	Annualized Continuing Resolution ^b	President’s Budget
1 Alternative Dispute Resolution	\$1.600	\$0	\$1.898	\$0	\$1.682	\$0
2 Beach/Fish	1.600	0	2.014	0	1.638	0
3 Beaches Program	9.200	0	9.549	0	9.484	0
4 Lead Program			14.049	0	13.954	0
5 Nonpoint Source (Section 319)	172.300	0	170.915	0	169.754	0
6 Pollution Prevention Program	4.600	0	4.765	0	4.733	0
7 Radon Program	7.800	0	8.051	0	7.996	0
8 Underground Storage Tanks	1.500	0	1.498	0	1.488	0
9 Endocrine Disruptor Screening Program	7.500	0	7.553	0	7.502	0
10 Environmental Education	8.600	0	8.702	0	8.643	0
11 Environmental Justice					6.691	0
12 Chesapeake Bay					72.504	0
13 Gulf of Mexico	17.600	0	12.542	0	8.484	0
14 Lake Champlain	13.400	0	8.399	0	4.369	0
15 Long Island Sound	21.000	0	12.000	0	7.946	0
16 Other	9.600	0	7.393	0	7.343	0

ETF program		FY 2020		FY 2019		FY 2018	
		Estimated Enacted Budget ^a	President's Budget	Annualized Continuing Resolution ^b	President's Budget	Annualized Continuing Resolution ^b	President's Budget
17	Puget Sound	33.000	0	28.000	0	27.810	0
18	San Francisco Bay	5.900	0	4.819	0	4.786	0
19	South Florida			17.704	0	1.692	0
20	Gold King Mine Water Monitoring	4.000	0	4.000	0	3.973	0
21	Great Lakes Restoration					297.963	0
22	Homeland Security: Critical Infrastructure Protection					10.109	0
23	Indoor Air: Radon Program	3.300	0	3.295	0	3.273	0
24	Infrastructure Assistance: Alaskan Native Villages					19.864	0
25	Infrastructure Assistance: Mexico Border	25.000	0	10.000	0	9.932	0
26	LUST Prevention	25.400	0	25.369	0	25.197	0
27	Marine Pollution			11.065	0	10.102	0
28	National Estuary Program/Coastal Waterways	29.800	0	26.723	0	26.542	0
29	Safer Choice Program	11.100	0	11.236	0	12.194	0
30	Radiation: Protection					12.487	0
31	RCRA: Waste Minimization & Recycling			9.534	0	9.141	0
32	Reduce Lead in Drinking Water			10.000	0		
33	Reduce Risks from Indoor Air	11.800	0	13.695	0	13.386	0
34	Regional Science and Technology	0.808	0	1.205	0	1.406	0
35	Safe Water for Small and Disadvantaged Communities	25.400	0	20.000	0		
36	Science Policy and Biotechnology	1.600	0	2.040	0	1.479	0
37	Small Minority Business Assistance			1.574	0	1.573	0
38	Stratospheric Ozone: Multilateral Fund	8.700	0	8.736	0	8.677	0
39	Targeted Airshed Grants	56.300	0	40.000	0	29.796	0
40	Toxic Substances: Lead Risk Reduction (Lead Renovation, Repair and Painting) Program	11.600	0	12.627	0	13.203	0
41	Trade and Governance	5.400	0	5.463	0	5.777	0
42	Border 2020: U.S.-Mexico Environmental Program	2.700	0	3.033	0	3.012	0
43	Water Quality Research and Support Grants	23.700	0	16.800	0	16.686	0
44	Atmospheric Protection	66.000	0	66.000	0	66.000	0
45	Global Change Research	19.300	0	19.014	0	16.520	0
46	Office of Public Engagement					1.933	0
47	STAR Research Grants	28.600	0	28.536	0	28.284	0
48	WaterSense (Surface Water Protection)	\$4.500	\$0	\$3.100	\$0	\$3.079	\$0
Total Appropriation Across All Three Fiscal Years: \$2,373.191							

Source: OIG summary of EPA funding information provided in the "Eliminated Programs" sections of the FYs 2018–2021 Congressional Justifications. (EPA OIG table)

Legend: LUST = Leaking Underground Storage Tanks; RCRA = Resource Conservation and Recovery Act; STAR = Science to Achieve Results.

* Not all ETF programs were eliminated in the President's Budget each fiscal year. The gray cells represent the fiscal years that those programs were maintained in the President's Budget.

^a Based on the FY 2021 Congressional Justification, the programs eliminated from the FY 2021 budget used the funding amounts from the FY 2020 Estimated Enacted Budget.

^b Based on the FYs 2020 and 2019 Congressional Justifications, the programs eliminated from these budgets used the funding amounts from the FYs 2019 and 2018 Annualized Continuing Resolution Budgets.

Internal Controls and Program Performance

Every federal program is required to have *internal controls*, which consists of the plans, policies, and procedures used to implement program operations and to achieve the program’s goals and objectives. Management is responsible for an effective internal control system by, first, identifying the program objective and, second, developing and implementing controls with the reasonable expectation of achieving the objective.

Two documents outline the requirements for internal controls. The U.S. Government Accountability Office’s *Standards for Internal Control in the Federal Government*, also known as the Green Book, issued September 10, 2014 ([GAO-14-704G](#)), contains standards to implement internal control requirements for the federal government, including program operations, data collection and reporting, and consistent implementation. Office of Management and Budget Circular [A-123](#), *Management’s Responsibility for Enterprise Risk Management and Internal Control*, issued July 15, 2016, requires that federal managers implement Green Book standards and defines management’s responsibilities for the risk-management process.

Similarly, Office of Management and Budget Circular [A-11](#), *Preparation, Submission, and Execution of the Budget*, revised April 28, 2021, requires agencies, in accordance with the GPRAMA, to develop an Annual Performance Plan that outlines strategic goals and objectives and the annual performance goals and measures for programs presented in the President’s Budget. Office of Management and Budget Circular A-11 requires that each agency update its performance goals “to reflect final congressional action on appropriations” and other changes, as necessary.¹ Finally, the GPRAMA requires that each agency publish an Annual Performance Report that describes the outcomes and results of federally funded programs and activities through the previous fiscal year.

Responsible Office

The OCFO is responsible for the issues discussed in this report.

Noteworthy Achievement

After we initiated this evaluation, the OCFO surveyed program offices to better understand whether performance measures existed for ETF programs. Specifically, the OCFO sought to determine whether ETF performance measures existed outside of the OPAA’s Performance Dashboard and, if so, where and how program offices track those performance measures. The OCFO reported that 35 of the 43 programs identified as ETF in fiscal year 2021 had developed measures at the program level.

Scope and Methodology

We conducted our work from March to June 2021 in accordance with the *Quality Standards for Inspection and Evaluation* published in January 2012 by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we plan and perform the evaluation to obtain sufficient, competent, and relevant evidence to provide a reasonable basis for our findings, conclusions,

¹ Office of Management and Budget Circular A-11, Part 6, Section 240.6.

and recommendations based on our objective. We believe that the evidence obtained provides a reasonable basis for our findings, conclusions, and recommendations.

We reviewed statutory language, guidance, and procedure documents. We also interviewed staff from the OCFO to gather information and to discuss their current processes for measuring and tracking ETF programs.

In previous evaluations, the OIG reviewed several programs that had been eliminated, then funded. During the course of those evaluations, the OIG found that some of those programs lacked program measures. To better understand the EPA’s ETF programs and the environmental and human health outcomes of these programs, we selected five ETF programs to review. To identify the programs for our review, we compared the list of FYs 2018–2020 ETF programs to a list of OIG reports and notification memorandums issued in those same years. We identified four OIG reports and one notification memorandum addressing the five EPA ETF programs outlined in Table 2.

Table 2: EPA ETF programs selected for review

EPA ETF program		Associated OIG report or notification memorandum	
		Report or project number	Date issued (fiscal year)
1	Beaches Program	Report No. 20-E-0246	August 13, 2020 (FY 2020)
2	Border 2020: U.S.-Mexico Environmental Program	Report No. 20-P-0083	February 18, 2020 (FY 2020)
3	Lead Renovation, Repair and Painting Program	Report No. 19-P-0302	September 9, 2019 (FY 2019)
4	Safer Choice Program	Report No. 20-P-0203	June 30, 2020 (FY 2020)
5	Endocrine Disruptor Screening Program	Project No. OE-FY20-0379 (notification memorandum)	October 21, 2020 (FY 2021)

Source: OIG analysis of EPA ETF data and OIG reports and notification memorandums. (EPA OIG table)

For each of these five programs, we reviewed their websites to understand their purpose, as well as to identify the responsible offices and program-specific environmental or human health outcomes that the Agency recorded from FYs 2018 through 2020. We also reviewed the Performance Dashboard for program performance measures, and we considered entries to be complete if the programs included performance measures recorded for all applicable responsible offices. We also collected budget information for each program.

Results

From FYs 2018 through 2020, the EPA was appropriated nearly \$2.4 billion for its ETF programs, but the EPA did not have internal controls in place to ensure that program activities were measured and tracked. The OCFO does issue written guidance each year outlining how program offices should develop and track performance measures for programs that are included in the Agency’s Annual Performance Plan and Congressional Justification, which are developed in conjunction with and in support of the President’s Budget. The OCFO had not issued written guidance that explicitly instructs ETF programs to develop and track performance measures after they receive congressional appropriations. Further, the OCFO did not develop a process to verify whether ETF programs have developed performance measures and where those measures are tracked. For three of the five ETF programs we reviewed, we found no performance measures centrally tracked in the Performance Dashboard. Without explicit guidance or

processes in place to instruct program offices to develop and track ETF program performance measures, the EPA risks underreporting environmental and human health outcomes.

Explicit Guidance and Processes Needed for ETF Program Performance Measures

The OCFO’s OPAA works to align strategies, measures, and budget resources to accomplish Agency goals. The Green Book provides standards for agencies in implementing internal control requirements, including data collection and reporting. The Green Book also describes the need for performance measures, which are what management uses to evaluate performance in achieving objectives. Office of Management and Budget Circular A-123 requires that federal managers implement Green Book standards to, in part, properly assess and evaluate program objectives, as well as reduce the risk that program objectives are not met.

Before FY 2018, the EPA averaged less than three ETF programs annually. From FYs 2018 through 2020, the average number of annual ETF programs increased by more than 1,400 percent. In addition, OPAA staff said that the same set of programs were repeatedly eliminated in the President’s Budget but then later funded by Congress during that same time frame. The OPAA indicated that the repeated ETF nature of these programs contributed to the challenges in tracking performance measures.

During our interviews with OCFO staff, we asked whether the OPAA had a process to identify ETF programs and to verify whether ETF programs develop and track performance measures after they received congressional funding. While we found that the OPAA does have a process in place to collect and consolidate performance measures from program offices included in the Agency’s Annual Performance Plan and Congressional Justification, which are developed in conjunction with and in support of the President’s Budget, the OPAA does not have internal controls in place to explicitly ensure that ETF programs develop and track performance measures.

Performance Measures Not Centrally Tracked for All ETF Programs

We examined the Performance Dashboard to determine whether the five ETF programs we reviewed centrally tracked their performance measures. As shown in Table 3, we found that the dashboard did not include any performance measures for three of these five programs. The dashboard partially reported performance measures for one of these five programs, with data recorded from one of the three offices responsible for that program. The dashboard included performance measures for all the offices responsible for the remaining program.

Table 3: Performance measures included in the dashboard*

ETF program	FY 2019	FY 2020
Beaches Program	No	No
Safer Choice Program	No	No
Endocrine Disruptor Screening Program	No	No
Border 2020: U.S.-Mexico Environmental Program	Partial	Partial
Lead Renovation, Repair and Painting Program	Yes	Yes

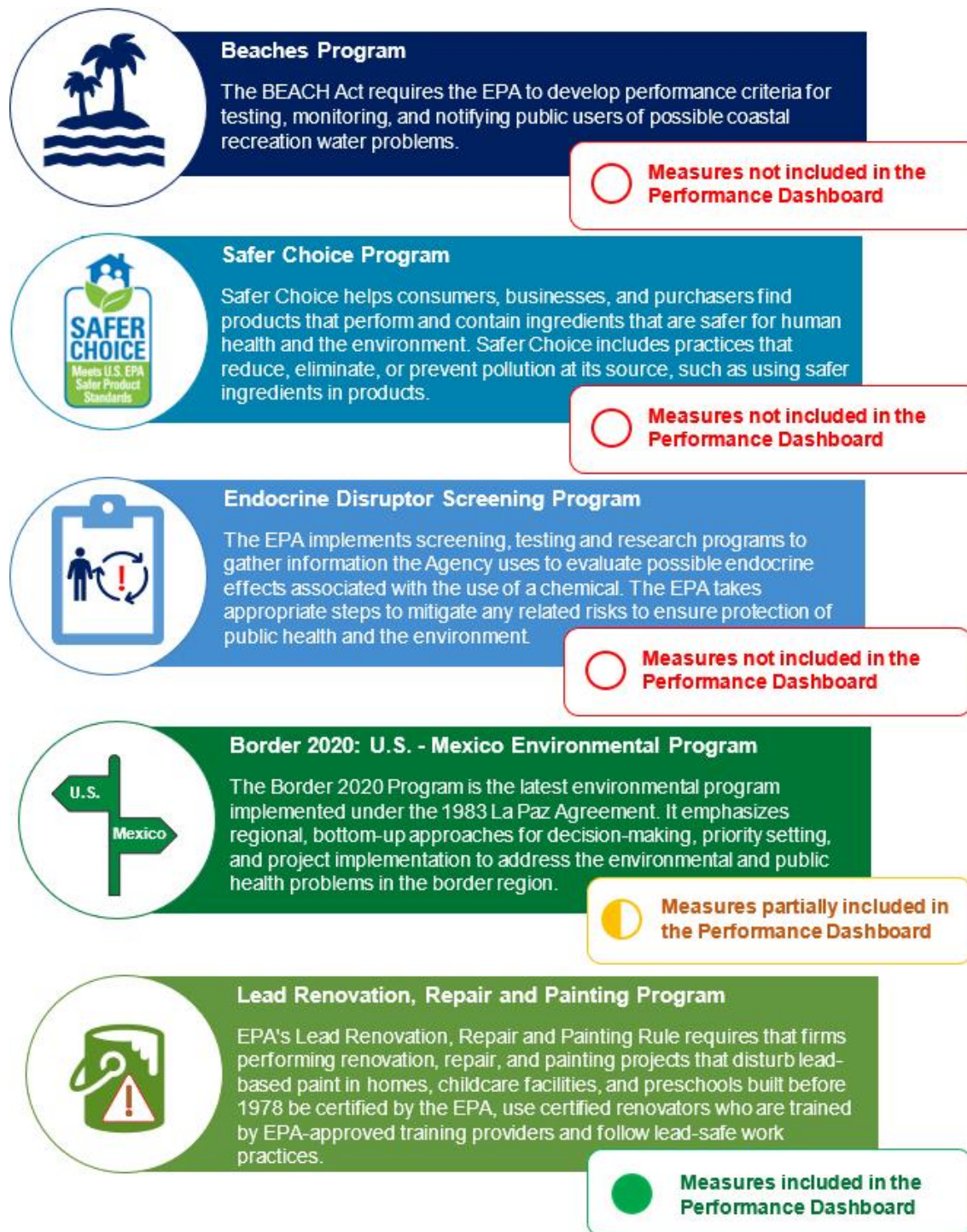
Source: OIG analysis of EPA performance data. (EPA OIG table)

* The Performance Dashboard was not introduced until FY 2019, so no data are shown for FY 2018.

Specifically, we found that the Beaches Program, Safer Choice Program, and Endocrine Disruptor Screening Program did not have any performance measures included in the dashboard. The dashboard did include performance measures for the Border 2020 Program from Region 6 but not from the two

other offices responsible for the program: the Office of International and Tribal Affairs and Region 9. The dashboard also included performance measures from all offices responsible for the Lead Renovation Repair and Painting Program. Figure 3 details the health and environmental outcomes that these five programs are designed to achieve.

Figure 3: Intended ETF program outcomes and whether performance measures are centrally tracked in the Performance Dashboard



Source: OIG review of the EPA's program websites and analysis of the Performance Dashboard. (EPA OIG image)

OCFO Needs to Verify Whether ETF Programs Track Performance Measures

According to the OCFO, programs can track performance measures outside the dashboard through internal, program-specific websites. If the Performance Dashboard does not include performance measures for an ETF program, it is possible that the ETF program tracks the performance measures at the program level. However, if performance measures are not tracked centrally via the dashboard, the OCFO would need to contact the ETF program to ascertain whether the performance measures are tracked elsewhere and, if so, where those measures are tracked.

As noted previously, the OCFO surveyed ETF programs for this information after we initiated this evaluation. The Agency discovered, for example, that, while the dashboard did not include performance measures for either the Beaches Program or the Safer Choice Program, both programs tracked performance measures on their program-specific websites. The OCFO's survey identified, however, that the Endocrine Disruptor Screening Program did not track performance measures either via the dashboard or elsewhere.

Conclusions

From FYs 2018 to 2020, the OCFO had not issued guidance to explicitly instruct ETF programs to develop performance measures, and it did not have a process for verifying that ETF programs develop and track performance measures. These conditions increased the risk that performance measures for ETF programs would not be consistently tracked, and nearly \$2.4 billion in total ETF program funding was appropriated to the EPA from FYs 2018 through 2020 without the Agency having internal controls in place to ensure performance measurement tracking. Absent explicit guidance that communicates requirements to develop and track performance measures and a process to verify that ETF programs develop and track performance measures once funding is received, the EPA risks underreporting environmental and human health outcomes.

Recommendations

We recommend that the chief financial officer:

1. Develop written guidance that explicitly states that eliminated-then-funded programs must measure and track performance.
2. Develop an annual process to verify that eliminated-then-funded programs have performance measures in place and to identify where those measures are tracked.

Agency Response and OIG Assessment

The Agency agreed with both of our recommendations and provided acceptable corrective actions and completion dates. After we initiated this evaluation, the OCFO issued guidance for the FY 2022 Congressional Justification, which asks programs to identify performance measures or specific mechanisms to monitor progress for FY 2021 ETF programs. The OCFO also stated that it plans to incorporate language in future planning and budget guidance, including the guidance for the FY 2023 Office of Management and Budget submission. The recommendations are resolved with corrective actions pending. The Agency's full response is in Appendix A.

Status of Recommendations

RECOMMENDATIONS

Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date
1	10	Develop written guidance that explicitly states that eliminated-then-funded programs must measure and track performance.	R	Chief Financial Officer	2/28/22
2	10	Develop an annual process to verify that eliminated-then-funded programs have performance measures in place and to identify where those measures are tracked.	R	Chief Financial Officer	2/28/22

¹ C = Corrective action completed.
 R = Recommendation resolved with corrective action pending.
 U = Recommendation unresolved with resolution efforts in progress.

Agency Response to Draft Report



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

July 21, 2021

OFFICE OF THE
CHIEF FINANCIAL OFFICER

MEMORANDUM

SUBJECT: Response to the Office of Inspector General Draft Report, Project No. OE-FY21-0135, "EPA Needs to Measure and Track Performance of Programs *Eliminated in President's Budget but Later Funded by Congress*," dated June 21, 2021

FROM: Faisal Amin, Chief Financial Officer **Amin,** Digitally signed by Amin, Faisal
Office of the Chief Financial Officer **Faisal** Date: 2021.07.21 16:25:20 -04'00'

TO: Renee McGhee-Lenart, Acting Director
Programs, Offices, and Centers Oversight Directorate
Office of Special Review and Evaluation

Thank you for the opportunity to respond to the issues and recommendations in the subject draft report. The following is a summary of the U.S. Environmental Protection Agency's (EPA) overall position and position on the report's recommendations.

AGENCY'S OVERALL POSITION

The Office of the Chief Financial Officer (OCFO) agrees with the Office of the Inspector General's overall finding that the EPA should identify and track systematically the performance of programs eliminated in the President's Budget and later funded by Congress, as well as the two recommendations. As a result of this engagement, the OCFO included instructions in the agency guidance for the FY 2022 Congressional Justification, which asks programs to identify performance measures or specific mechanisms to monitor progress for FY 2021 eliminated-then-funded programs. We are incorporating this request in future planning and budget guidance, including the guidance for the FY 2023 Office of Management and Budget (OMB) submission that will be issued later this month.

The OCFO does want to raise a concern with the language used to describe the requirement for performance measures, which could leave the impression that all program activities in the budget must have quantifiable performance measures. The *Government Performance and Results Modernization Act* provides for exceptions to this under section 1115(c), in consultation with the

OMB. The OCFO has provided suggested alternative language, as well as a few additional technical corrections and comments in the attached document.

RESPONSE TO DRAFT REPORT RECOMMENDATIONS

Agreements

No	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion Date
1	Develop written guidance that explicitly states that eliminated-then-funded programs must measure and track performance.	The OCFO will include specific guidance in our Fall 2021 guidance for the FY 2023 Congressional Justification that programs identify measures and track performance for any eliminated-then-funded programs for FY 2022. <i>(Exceptions consistent with the GPRA Modernization Act will be considered.)</i> Note: The OCFO included specific instructions in guidance for the FY 2022 CJ in April 2021 and will include instructions with the FY 2023 OMB Submission guidance to be issued in late July.	February 2022
2	Develop an annual process to verify that eliminated-then-funded programs have performance measures in place and to identify where those measures are tracked.	The OCFO will include in its annual measures development and tracking a specific process to verify that eliminated-then-funded programs have performance measures in place and to identify where those measures are tracked.	February 2022

CONTACT INFORMATION

If you have any questions regarding this response, please contact the OCFO’s Audit Follow-up Coordinator, Andrew LeBlanc, epa.gov or (202) 564-1761.

Attachment

- cc: David Bloom
- Carol Terris
- Lek Kadeli
- Jeanne Conklin
- Meshell Jones-Peeler
- Kathy O’Brien
- Maria Williams

Richard Gray
John M. Hall
Angel Robinson
OCFO-OC-MANAGERS
Hamilton Humes
Chad Kincheloe
Erin Barnes-Weaver
Jaya Brooks
Thane Thompson
Andrew LeBlanc
José Kercadó DeLeón

Distribution

The Administrator
Deputy Administrator
Chief of Staff, Office of the Administrator
Deputy Chief of Staff, Office of the Administrator
Chief Financial Officer
Deputy Chief Financial Officer
Agency Follow-Up Coordinator
General Counsel
Associate Administrator for Congressional and Intergovernmental Relations
Associate Administrator for Public Affairs
Associate Chief Financial Officer
Associate Chief Financial Officer for Policy
Director, Office of Continuous Improvement, Office of the Chief Financial Officer
Controller
Deputy Controller
Director, Policy, Training, and Accountability Division, Office of the Controller
Chief, Management, Integrity and Accountability Branch; Policy, Training, and Accountability Division;
Office of the Controller
Audit Follow-Up Coordinator, Office of the Administrator
Audit Follow-Up Coordinator, Office of the Chief Financial Officer