



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The objectives of this evaluation were to determine the extent to which the U.S. Environmental Protection Agency's (EPA's) American Recovery and Reinvestment Act of 2009 (Recovery Act) funds were targeted to economically disadvantaged communities, and the extent to which jobs were created and results were achieved in those communities. We also sought to determine the constraints faced by EPA in targeting funds and achieving results.

Background

The Recovery Act provided a total of \$7.2 billion for six programs administered by EPA. The programs funded projects related to the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, diesel emissions reduction, leaking underground storage tanks, Brownfields, and Superfund.

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

The full report is at:
www.epa.gov/oig/reports/2011/20110411-11-R-0208.pdf

EPA Faced Multiple Constraints to Targeting Recovery Act Funds

What We Found

After obligating over \$7 billion in Recovery Act funds, EPA is unable, both on a programmatic and national basis, to assess the overall impact of those funds on economically disadvantaged communities or those most impacted by the recession. Recovery Act funds were intended to create or save jobs, address environmental and other challenges, and assist those most impacted by the recession. EPA specifically sought to address location-specific, community-based public health and environmental needs with its Recovery Act dollars. While EPA was able to track financial expenditures, it considered but could not execute an effort to track the distribution of its Recovery Act funds to economically disadvantaged communities. The effort was hindered by the absence of definitions, data, and measures.

Multiple constraints limited EPA's ability to target funds to preserve and create jobs, as well as reach those most impacted by the recession. Short timeframes and the resulting emphasis on "shovel ready" projects also contributed to targeting challenges. Further, the development and funding of potential new projects in disadvantaged communities was hampered both by a lack of time and resources to prepare applications as well as a lack of priority for those economically disadvantaged communities that have environmental needs. Moreover, among the Recovery Act-funded programs at EPA, the states made the funding decisions for 86 percent of the funds.

What We Recommend

We recommended that EPA establish a clear and consistent regime that can address socioeconomic factors within the bounds of statutory and organizational constraints. The Agency responded that it did not have the authority or mission to target Recovery Act funds to disadvantaged communities and that these funds have already been obligated. Nevertheless, EPA agreed that the recommendations were consistent with its current efforts to improve the targeting and assessment of low-income, tribal, and minority communities. We modified our recommendation to focus on the achievement of Agency-wide objectives and priorities, and the inclusion of environmental justice principles in EPA's decisions. We believe, based on verbal representations, that the Agency agreed with our revised recommendations, and we await its 90-day response to confirm that informal communication.