



# TRACKING THE FUNDS:

## Specific Fiscal Year 2022 Provisions for Department of the Interior

GAO-22-105904 · September 2022  
Report to Congressional Committees

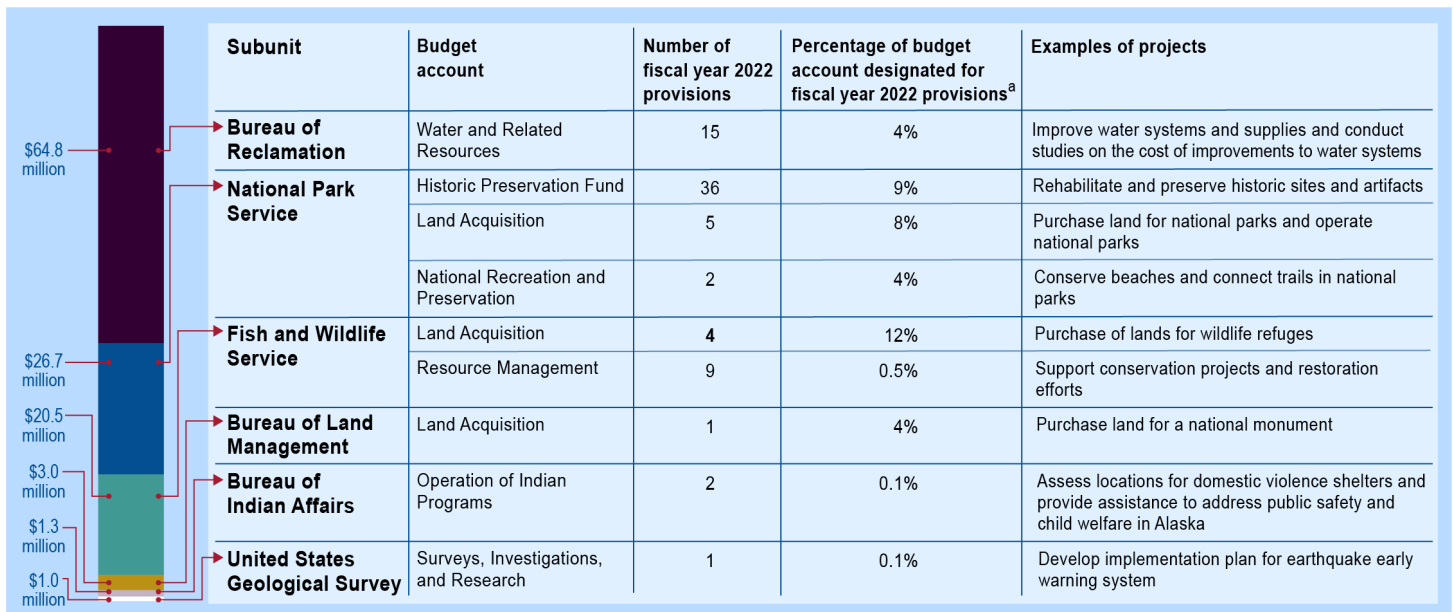
The Consolidated Appropriations Act, 2022 appropriated \$117.2 million to the Department of the Interior for 75 projects at the request of Members of Congress. The act includes specific provisions that designate an amount of funds for a particular recipient, such as a nonprofit organization or a local government, to use for a specific project. These provisions are called “Congressionally Directed Spending” in the U.S. Senate and “Community Project Funding” in the House of Representatives. Members of Congress had to meet certain requirements under Senate and House rules in order to have their requests included as provisions in the act. Such requirements included that Members post requests online and certify that they had no financial interest in the projects. The House also required Members to demonstrate community support for requests.

This report examines how Interior intends to identify the provisions, distribute the funds made available through these provisions, and ensure the funds are spent for the purposes Congress intended. For more information on this report and others in this series, including background and methodology, visit <https://www.gao.gov/tracking-funds>.

### What are the intended uses of these funds?

The \$117.2 million broadly supports three types of Interior projects: (1) projects related to water resources in the western U.S., including design, construction, and operation of such resources; (2) land acquisition projects for national parks, wildlife refuges, and national monuments; and (3) other projects related to Interior’s mission.

### Department of the Interior: Fiscal Year 2022 Community Project Funding/Congressionally Directed Spending Provisions



Source: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the Department of the Interior. | GAO-22-105904

<sup>a</sup>Based on total amount appropriated for each of the budget accounts for fiscal year 2022.

## Who are the designated recipients?

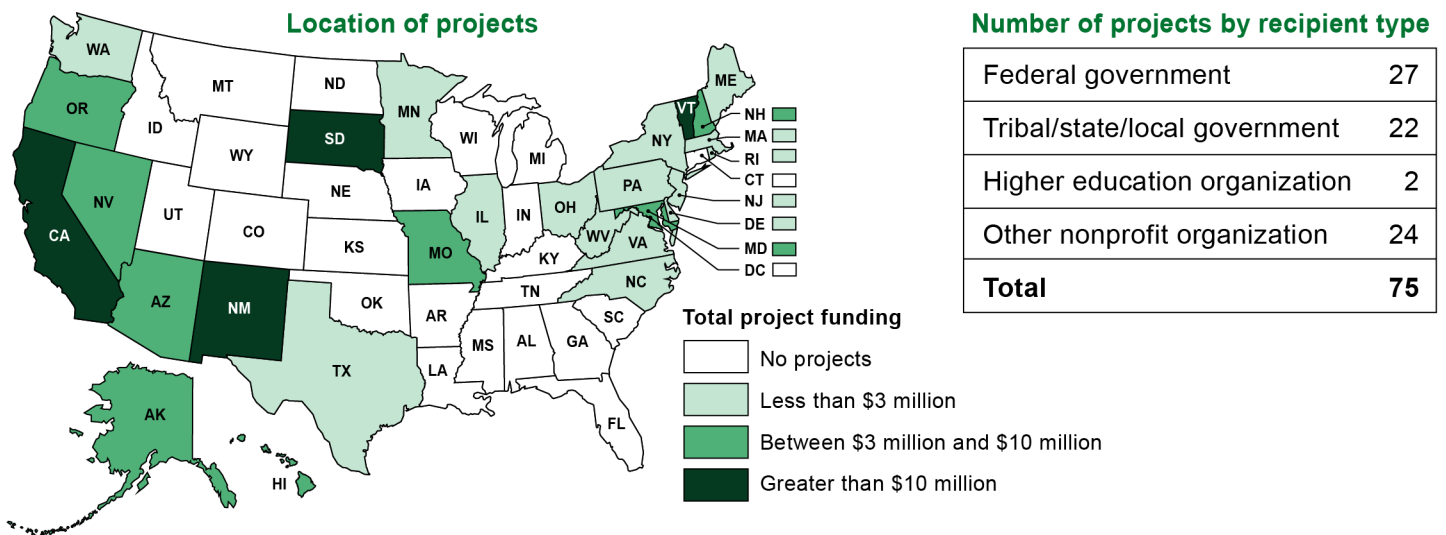
The designated recipients of the funds for these 75 projects are Interior subunits (bureaus); tribal, state, or local governments; and nongovernmental entities, including higher education organizations and other nonprofit organizations.

### Key Observations

Designated recipients include the following, by type of project:

- Water resources.** The Bureau of Reclamation received funds for 15 projects related to water resources in the western U.S. These projects total over \$64 million, about 55 percent of the funds for Interior’s provisions.
- Land acquisitions.** The Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service received funds for 10 projects to acquire land to expand existing monuments, parks, battlefields, and refuges. These projects total over \$24 million, about 21 percent of the total funds for Interior’s provisions.
- Other mission-related projects.** The remaining 50 projects support the missions of the National Park Service, the Fish and Wildlife Service, the Bureau of Indian Affairs, and the United States Geological Survey. These projects total over \$27 million, about 23 percent of the total funds for Interior’s provisions. For two of these projects, a bureau is the designated recipient. For example, the United States Geological Survey will receive funding to develop an implementation plan for the creation of an earthquake early-warning system in Alaska. The designated recipients for the 48 other mission-related projects are higher education organizations and other nonprofit organizations, as well as tribal, state, and local governments. For example, several National Park Service provisions provide funding for historical preservation projects to nonprofit organizations throughout the country, including the National Underground Railroad Freedom Center in Cincinnati, Ohio.

## Department of the Interior: Distribution of Fiscal Year 2022 Community Project Funding/ Congressionally Directed Spending



Sources: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the Department of the Interior; Map Resources (map). | GAO-22-105904

## Who within the agency will be responsible for identifying and monitoring these funds?

The budget and planning offices of individual Interior bureaus generally will identify the funds in legislation, according to bureau officials. However, the officials responsible for monitoring the use of funds vary by project type, according to bureau officials:

- Water resources.** Reclamation’s Financial Assistance Office monitors use of these funds through a standard semi-annual process, and the program officer with expertise in the project’s topic monitors project performance, according to Reclamation officials. Further, Reclamation’s budget and planning office

established project-specific codes that allow officials to monitor these funds on an ongoing basis.

- **Land acquisitions.** According to bureau officials, the bureaus must verify that the land is located in the eligible project area and that the government can obtain clear title to the land from a willing seller. Once a purchase is final, there is no further monitoring of the funds.
- **Other mission-related projects.** Generally, for projects for which a bureau is the recipient, officials associated with the project will monitor funds. When the designated recipient is a nonfederal entity, bureau officials said they would monitor funds in accordance with existing regulations and policies.

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### How does the agency intend to ensure recipients are ready to receive and are able to use these funds?

Interior will use various methods to ensure recipients are ready to receive and use funds, depending on the type of project and whether the recipient is an Interior bureau or a nonfederal entity:

- **Water resources.** Officials told us they are determining whether these funds are for existing and ongoing water projects. As part of this review, officials said they will review the funds against the existing congressional project authorizations, requirements, and timetables to ensure Reclamation is able to receive and use the funds.
- **Land acquisitions.** According to bureau officials, there are no additional steps to determine that the bureau is ready to receive funds, and land acquisition regulations and policies guide their ability to use the funds.
- **Other mission-related projects.** For nonfederal entities, bureau officials told us they generally use existing budget administration processes such as checking the System for Award Management—through which entities must register to receive federal funds—to ensure recipients are ready to receive the funds. The bureaus also use existing processes, such as those related to grants administration and approving cooperative agreements, to evaluate a recipient's ability to use funds as directed. An official from one bureau told us that in cases where a recipient lacks the capacity to implement a project, officials will provide additional oversight and could require the recipient to undertake additional training.

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### How does the agency intend to ensure these funds are spent properly?

Interior bureaus intend to use different methods to ensure funds are spent properly and prevent fraud, waste, and abuse. Interior's Office of Inspector General may also decide to review these funds as part of its oversight responsibilities.

- **Water resources.** Officials told us they plan to rely on existing budget implementation processes to ensure funds for these reclamation projects are spent properly.
- **Land acquisitions.** Bureau officials told us that the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service must follow existing regulations and policies, including Department of Justice regulations for reviewing and approving titles for land acquisitions. Bureau officials told us these regulations include steps to ensure funds are spent properly and that the government does not pay more than fair market value for the land.
- **Other mission-related projects.** Generally, for projects for which a bureau is the recipient, officials said they intend to rely on existing budget implementation processes to ensure funds are spent properly. For nonfederal recipients, bureau officials told us they plan to use processes associated with grants administration and the monitoring of cooperative agreements. These processes may include requiring a recipient to submit semi-annual reports. In addition, a bureau's Inspector General or Interior's Office of Inspector General may conduct audits to identify possible waste, fraud, or abuse.

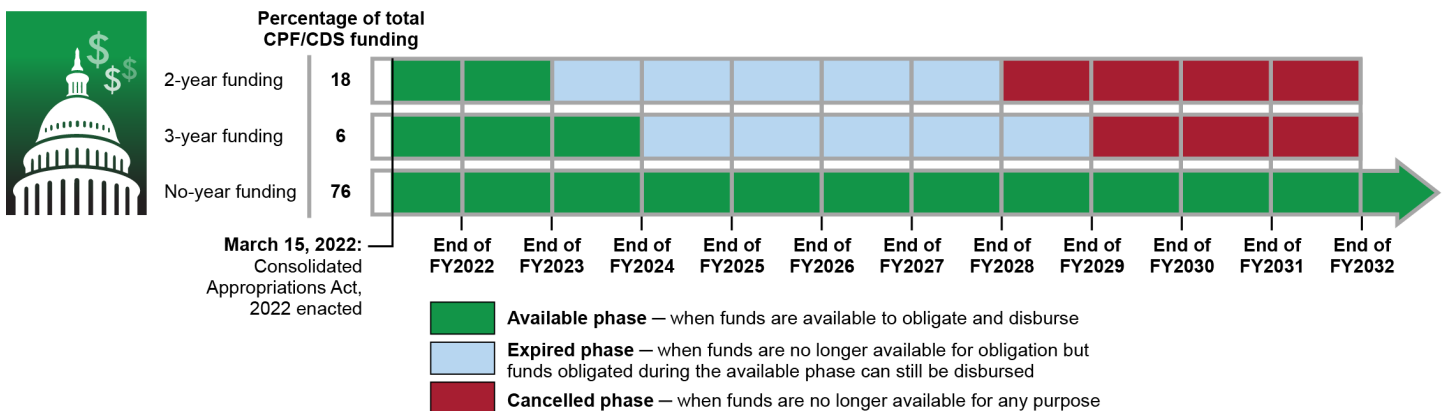
## When does the agency expect recipients will have access to these funds, and when might the funds be spent?

The type of projects and recipients—i.e., bureaus or nonfederal entities—will affect the timing of funds' availability and when they may be spent:

- **Water resources.** Reclamation officials expect the funds generally to be available for obligation immediately. These officials also told us that because these projects received no-year funding—which is available to Interior until fully expended—the scope and schedule of an overall project is likely to determine the rate at which funds are spent.
- **Land acquisitions.** Bureau of Land Management, Fish and Wildlife Service, and National Park Service officials said that although they expect the funds for acquiring land to be available for obligation immediately, completing the required due diligence steps and negotiating a price with a seller can take months. Funds are disbursed when ownership is transferred to the federal government.
- **Other mission-related projects.** Officials with the United States Geological Survey said that since the bureau is the recipient, funds are already available for obligation. Where the recipient is a nonfederal entity, bureau officials told us they are working to negotiate new grant agreements or contracts before the recipient can access the funds. National Park Service officials said that completing this process typically takes 4 months. Grant agreements may stipulate the rate at which the recipient receives funds over the course of the project's schedule, according to officials with the Bureau of Indian Affairs.

The time that Interior has to fully disburse funds provided in the Consolidated Appropriations Act, 2022 to recipients varies by account. For example, the Bureau of Indian Affairs has until the end of fiscal year 2028 to fully disburse funds appropriated to designated recipients. In contrast, funding for Reclamation is no-year and is therefore available until fully expended. For more information on the time availability of these funds, see [GAO-22-105467](#).

## Department of the Interior: Appropriations Life Cycle for Fiscal Year (FY) 2022 Community Project Funding/Congressionally Directed Spending (CPF/CDS) Provisions



Source: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; 31 U.S.C. § 1552; and information provided by the Department of the Interior. | GAO-22-105904

Note: While the phases depicted in this figure serve as general limitations for the Department of the Interior's use of funds, officials said they anticipate entering into obligations for some projects immediately. For more information about the obligation and expenditure of these funds, see [GAO-22-105467](#).

## What risks and challenges may the agency face distributing and monitoring these funds?

The risks and challenges associated with distributing and monitoring these funds vary according to the project type:

- **Water resources.** Reclamation officials told us that these funds represent an increase in overall funding for water projects. The officials therefore anticipate challenges related to an increased workload. Consequently, these officials told us they estimate needing to hire approximately 25 new grants management specialists. Reclamation officials further stated that supply chain constraints could complicate the associated requirements to procure domestic materials for these projects.

- **Land acquisitions.** Some bureau officials said that with land acquisitions, there is a risk that the fair market value sales price may exceed available funding. For example, Bureau of Land Management officials told us they received less in designated funds than what is required to complete the full land acquisition in the Rio Grande del Norte National Monument. These officials said they would hold onto the funds and seek additional future funding through the regular budget process.
- **Other mission-related projects.** Bureau officials told us that they generally did not anticipate any additional risks or challenges associated with distributing or monitoring funds because of the control measures they use through existing grants administration processes. However, some bureau officials told us they are concerned about meeting congressional expectations in some cases. For example, Bureau of Indian Affairs officials said that in situations where there is no prior relationship with the recipient, the bureau may lack information on the project goals. According to the officials, this situation creates a risk that the bureau may not meet congressional expectations. In these instances, the officials said they were working with their congressional liaisons to seek clarification of project goals and congressional expectations.

## Why GAO did this study

The joint explanatory statement accompanying the Consolidated Appropriations Act, 2022 includes a provision for us to review agencies' implementation of Community Project Funding/Congressionally Directed Spending. In addition to issuing this and other reports in this series, we will follow and review agencies' efforts to distribute, monitor, and audit these funds by sampling agencies and recipients and examining whether funds were spent as intended.

## Agency comments

We provided Interior with a draft of this report. Interior provided technical comments, which we incorporated as appropriate.

### GAO Contact

For more information, contact Cardell D. Johnson at (202) 512-3841 or [johnsoncd1@gao.gov](mailto:johnsoncd1@gao.gov).

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We conducted this performance audit from March 2022 to September 2022 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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