

# TRACKING THE FUNDS:

## Specific Fiscal Year 2023 Provisions for the Office of National Drug Control Policy

GAO-23-106859 – September 2023  
Report to Congressional Committees



The Consolidated Appropriations Act, 2023 appropriated nearly \$10.5 million to the Office of National Drug Control Policy (ONDCP) for 8 projects at the request of Members of Congress. The act, and its accompanying joint explanatory statement, include 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 ONDCP 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?

In fiscal year 2023, ONDCP received nearly \$10.5 million to fund regional level drug control projects that focus on supporting infants exposed to drugs like opioids, strategies to prevent and reduce substance abuse among rural youth, addiction and mental health community assistance, and drug free community initiatives.

### Office of National Drug Control Policy: Fiscal Year 2023 Community Project Funding/Congressionally Directed Spending Provisions

Budget account	Number of fiscal year 2023 provisions	Percentage of budget account designated for fiscal year 2023 provisions <sup>a</sup>	Examples of projects
Office of National Drug Control Policy (Salaries and Expenses)	8	33%	Drug-use reduction program, substance abuse prevention for rural youth, and addiction and mental health support for the community

Source: GAO analysis of Consolidated Appropriations Act, 2023 and accompanying joint explanatory statement; and information provided by the Office of National Drug Control Policy. | GAO-23-106859  
<sup>a</sup>Based on total amount appropriated for ONDCP’s Salaries and Expenses budget account for fiscal year 2023.

Note: ONDCP was also appropriated just over \$439 million for Federal Drug Control Programs and Other Federal Drug Control Programs, such as the High Intensity Drug Trafficking Program and Drug-Free Communities Program, respectively, for fiscal year 2023.

### Who are the designated recipients?

The eight designated recipients of these funds include a state government entity, higher education organizations, and other nonprofit organizations.

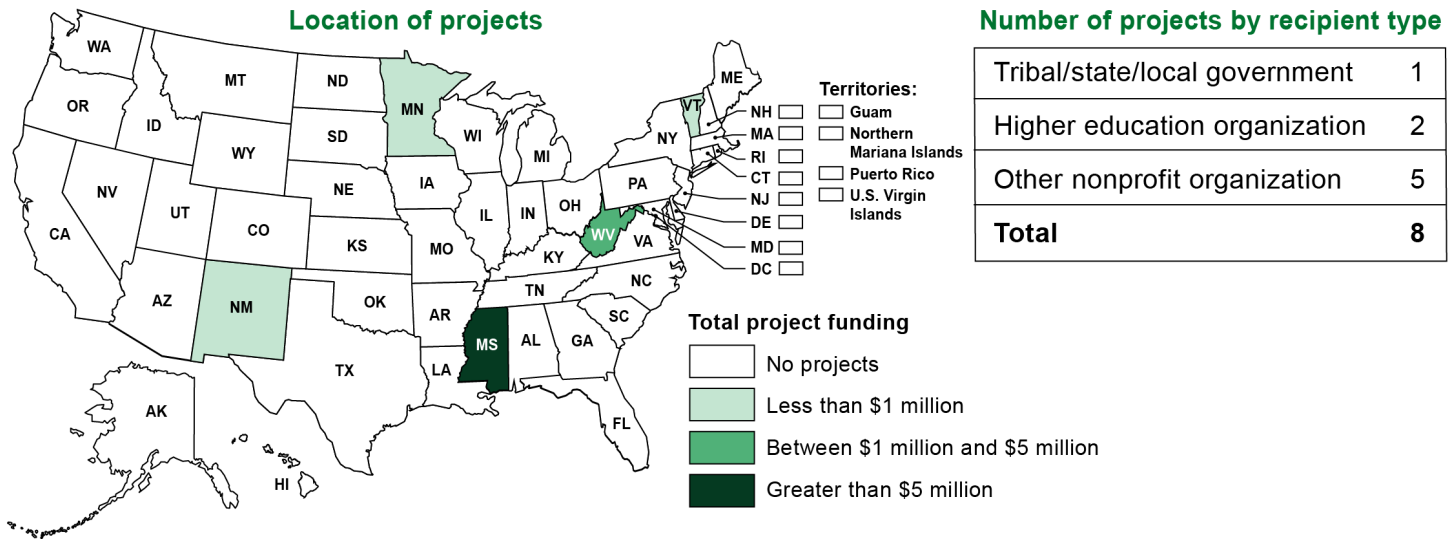
#### Key Observations

- According to ONDCP officials, prior to fiscal year 2023, a majority of the designated recipients (seven of eight) had not previously received any financial assistance from ONDCP. One recipient had received funding from the agency in the past.
- Designated recipients received grants ranging from \$50,000 to \$5 million, to support local drug control related projects. Two large grant awards—totaling \$6 million—went to two higher education organizations in the state of Mississippi to support drug use reduction programs and drug free community efforts. Two other large grant awards—totaling about \$3.7 million—were awarded to support a state

government entity that focuses on addiction and mental health outcomes, and a nonprofit organization that focuses on the treatment of Neonatal Abstinence Syndrome and other prevention services. Both entities are located in the state of West Virginia.

- Each of the remaining four designated recipients received smaller grant awards totaling about \$800,000—to support youth substance use prevention projects in rural areas in the following states: Minnesota, Mississippi, New Mexico, and Vermont.

## Office of National Drug Control Policy: Distribution of Fiscal Year 2023 Community Project Funding/Congressionally Directed Spending Provisions



Sources: GAO analysis of Consolidated Appropriations Act, FY 2023 and accompanying joint explanatory statement; and information provided by the Office of National Drug Control Policy; Map Resources (map). | GAO-23-106859

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

According to ONDCP officials, policy analysts within its Office of Public Health have the primary responsibility for leading the agency's efforts to identify ONDCP's fiscal year 2023 Community Project Funding/Congressionally Directed Spending provisions, as well as to distribute and monitor the associated funds. ONDCP officials also stated that other offices within the agency—including the Offices of Performance and Budget and General Counsel—have policy and budget analysts and attorneys tasked with identifying, reviewing, and tracking funds, and coordinating grantee data requirements.

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

ONDCP officials told us that they plan to use ONDCP's standard grant procedures and processes to ensure designated recipients have completed all of the administrative steps required to receive and use the funds. The ONDCP officials stated the agency requires designated recipients to submit grant applications for the funds, as they do for competitive grant programs. ONDCP officials told us that they also require designated grant recipients to outline their quarterly spending plans; and submit their goals and intentions to meet spending objectives to ONDCP before receiving funds.

ONDCP officials stated the agency uses several methods to confirm the designated grant award recipient's identification. For example, according to ONDCP officials, the agency submits and maintains an Assistance Listing Number for all projects for tracking and transparency purposes. ONDCP officials stated the agency records data separately for each project under the Assistance Listing Number. In order to receive federal funds, ONDCP also requires its recipients to register in the System for Award Management and then reconciles its list of designated recipients against those in this system, according to ONDCP officials. The officials added that ONDCP also contacts recipients to verify registrations and assigned unique entity identifiers.

Lastly, ONDCP officials stated the agency verifies that recipients are not included in the Department of the Treasury's Do Not Pay working system—a data service agencies use to determine if an entity is barred from receiving federal awards.

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

According to ONDCP officials, the agency will use its existing grant management policies and monitoring processes to ensure the funds are spent properly and to prevent fraud, waste, and abuse. The Consolidated Appropriations Act, 2023 requires ONDCP to fund designated projects. ONDCP guidance states that some grant program requirements may not apply, including certain eligibility provisions, because designated recipients will not need to compete for the funding. ONDCP officials stated that the agency's budget and program staff use ONDCP's Financial Assistance Policy and Procedures on Statutory Earmarks as guidance to assist in their efforts to track and manage the grant funds. The procedures state that ONDCP staff are to ensure the grantees' applications are complete, clear, and include a process to account for achieving the goals of the project. ONDCP also conducts risk evaluations of each prospective grantee based on history of performance and terms and conditions of previous grant awards. According to ONDCP officials, it is important for ONDCP's funding recipients to comply with the agency's grant requirements to reduce the risks of fraud, waste, and abuse in the respective programs.

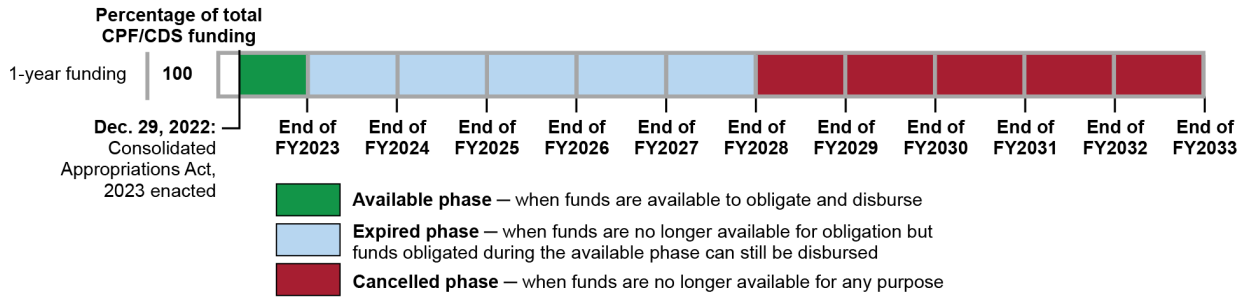
To track and manage these funds, ONDCP reviews quarterly program reports and uses a quality assurance process outlined in the agency's standard operating procedures to identify and address any concerns raised during its financial monitoring, capability, or budget reviews. For example, ONDCP officials told us that its Office of General Counsel works closely with grant managers that oversee the funds to ensure that grantees comply with all applicable laws and regulations.

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

According to ONDCP officials, in July 2023, ONDCP obligated all of the funds to the designated grant award recipients. ONDCP has until the end of fiscal year 2028 to fully disburse the funds appropriated in the Consolidated Appropriations Act, 2023 to the designated recipients. In some instances, the timeline that agencies set for recipients to spend funds may be shorter than what is specified in law. ONDCP established a 1-year period of performance for these grant awards beginning on June 1, 2023. As a result, designated recipients are to spend the funds by May 31, 2024. According to ONDCP, designated recipients will have up to 90 days from May 31, 2024, the end of the period of performance, to drawdown funds and finalize all transactions. In addition, ONDCP indicated that pursuant to 2 C.F.R. § 200.308(e), ONDCP will consider providing extensions to the period of performance up to 12 months on a case-by-case basis, if requested by the designated recipient. ONDCP officials stated that fiscal year 2023 is the first time the agency received Community Project Funding/Congressionally Directed Spending provisions; as a result, ONDCP initially needed time to set-up the appropriate processes and practices and draft a new notice of funding opportunity. ONDCP officials said the agency also conducted outreach with the designated recipients to ensure they received appropriate training on ONDCP's grant process and requirements before the grant applications were released. For more information on the time availability of these funds, see GAO-23-106561.

# Office of National Drug Control Policy: Appropriations Life-Cycle for Fiscal Year 2023 Community Project Funding/Congressionally Directed Spending Provisions



Source: GAO analysis of Consolidated Appropriations Act, 2023 and accompanying joint explanatory statement; 31 U.S.C § 1552; and information provided by the Office of National Drug Control Policy. | GAO-23-106859

Note: The Consolidated Appropriations Act, 2023 specifies a period of availability for each appropriation from which funds were designated. After the funds' period of availability expires, agencies generally have 5 years to fully disburse the funds. 31 U.S.C. §§ 1552, 1553.

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

According to ONDCP officials, the agency does not anticipate any significant challenges in distributing and monitoring funds. ONDCP officials reiterated that the agency has dedicated the time and resources needed to ensure the accuracy of grant recipient's names and contact personnel. For example, ONDCP officials stated the agency has dedicated five staff to supervise the eight-drug control related projects. The agency also developed standard grant management procedures to provide its staff with the guidance needed to effectively manage the grant funds. The guidance includes internal control requirements related to the management of the grants and standard operating procedures that address all phases (pre-award through post-award) of the grant process.

## Why GAO did this study

The joint explanatory statement accompanying the Consolidated Appropriations Act, 2023 included a provision for us to review federal agencies' implementation of Community Project Funding and Congressionally Directed Spending provisions. 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.

### GAO CONTACT

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We conducted this performance audit from May 2023 to September 2023 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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