



TRACKING THE FUNDS:

Specific Fiscal Year 2022 Provisions for U.S. Department of Agriculture

Accessible Version

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Report to Congressional Committees

The Consolidated Appropriations Act, 2022 designated \$405.2 million to the U.S. Department of Agriculture (USDA) for 287 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 the requests.

This report examines how USDA 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 \$405.2 million is intended to support a variety of efforts, including improving access to broadband and other social infrastructure in rural communities, expanding agricultural research efforts, and managing forests.

U.S. Department of Agriculture: Fiscal Year 2022 Community Project Funding/Congressionally Directed Spending Provisions

Subunit	Budget account	Number of fiscal year 2022 provisions	Percentage of budget account designated for fiscal year 2022 provisions ^a	Examples of projects
Rural Development	Rural Community Facilities Program Account	174	77%	Expansion and improvements to rural community facilities and infrastructure—including senior centers, day cares, libraries, and food banks—and broadband access
	Distance Learning, Telemedicine, and Broadband Program	26	7%	
Agricultural Research Service	Buildings and Facilities	5	49%	Expansion of research efforts and facility improvements
	State and Private Forestry Land Acquisition	40	10% ^b	
Forest Service	Capital Improvements and Maintenance	5	7%	Studies on and improvements to forests, parks, and watersheds; and land acquisitions
	Land Acquisition	3	N/A ^c	
Natural Resources Conservation Service	Conservation Operations	17	2%	Flood mitigation, reforestation, and habitat restoration
	Watershed and Flood Prevention Operations	7	23%	
National Institute of Food and Agriculture	Integrated Activities	1	25%	Establishment of an Institute for Rural Partnerships to support public-private partnerships in rural areas
Food and Nutrition Service	Child Nutrition Programs	1	0.02%	Establishment of a National Farm to School Institute to support farm to school programs
Animal and Plant Health Inspection Service	Salaries and Expenses	8	0.3%	Management of animal and plant health issues

Source: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the U.S. Department of Agriculture. | GAO-23-105913

Data table for U.S. Department of Agriculture: Fiscal Year 2022 Community Project Funding/Congressionally Directed Spending Provisions

Subunit	Budget account	Funding \$ in millions	Number of FY 2022 provisions	Percentage of budget account designated for FY 2022 provisions ^a	Examples of projects
Rural Development	Rural Community Facilities Program Account	222.6	174	77%	Expansion and improvements to rural community facilities and infrastructure—including senior centers, day cares, libraries, and food banks—and broadband access
	Distance Learning, Telemedicine, and Broadband Program	--	26	7%	Expansion and improvements to rural community facilities and infrastructure—including senior centers, day cares, libraries, and food banks—and broadband access
Agricultural Research Service	Buildings and Facilities	62.4	5	49%	Expansion of research efforts and facility improvements
Forest Service	State and Private Forestry	58.8	40	10% ^b	Studies on and improvements to forests, parks, and watersheds; and land acquisitions
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	Capital Improvements and Maintenance	--	5	7%	Studies on and improvements to forests, parks, and watersheds; and land acquisitions
Natural Resources Conservation Service	Land Acquisition	--	3	N/A ^c	Studies on and improvements to forests, parks, and watersheds; and land acquisitions
	Conservation Operations	42.9	17	2%	Flood mitigation, reforestation, and habitat restoration
Watershed and Flood Prevention Operations	--	7	23%		
National Institute of Food and Agriculture	Integrated Activities	10.0	1	25%	Establishment of an Institute for Rural Partnerships to support public-private partnerships in rural areas
Food and Nutrition Service	Child Nutrition Programs	5.0	1	0.02%	Establishment of a National Farm to School Institute to support farm to school programs
Animal and Plant Health Inspection Service	Salaries and Expenses	3.5	8	0.3%	Management of animal and plant health issues

Source: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the U.S. Department of Agriculture. | GAO-23-105913

^aBased on total amount appropriated for each budget account in the Consolidated Appropriations Act, 2022.

^bAccording to account information provided by the U.S. Department of Agriculture, funds for one project—Southern Coastal Biodiversity Project—were not appropriated within the Consolidated Appropriations Act, 2022. These funds are not included in this percentage. The account information provided indicates the agency will use other available appropriations for this project.

^cThe Land Acquisition account did not receive an annual appropriation in the Consolidated Appropriations Act, 2022.

Note: According to U.S. Department of Agriculture officials, as of September 2022, one recipient declined an award. This recipient was designated for funds in a Community Project Funding/Congressionally Directed Spending provision under the Rural Community Facilities Program Account.

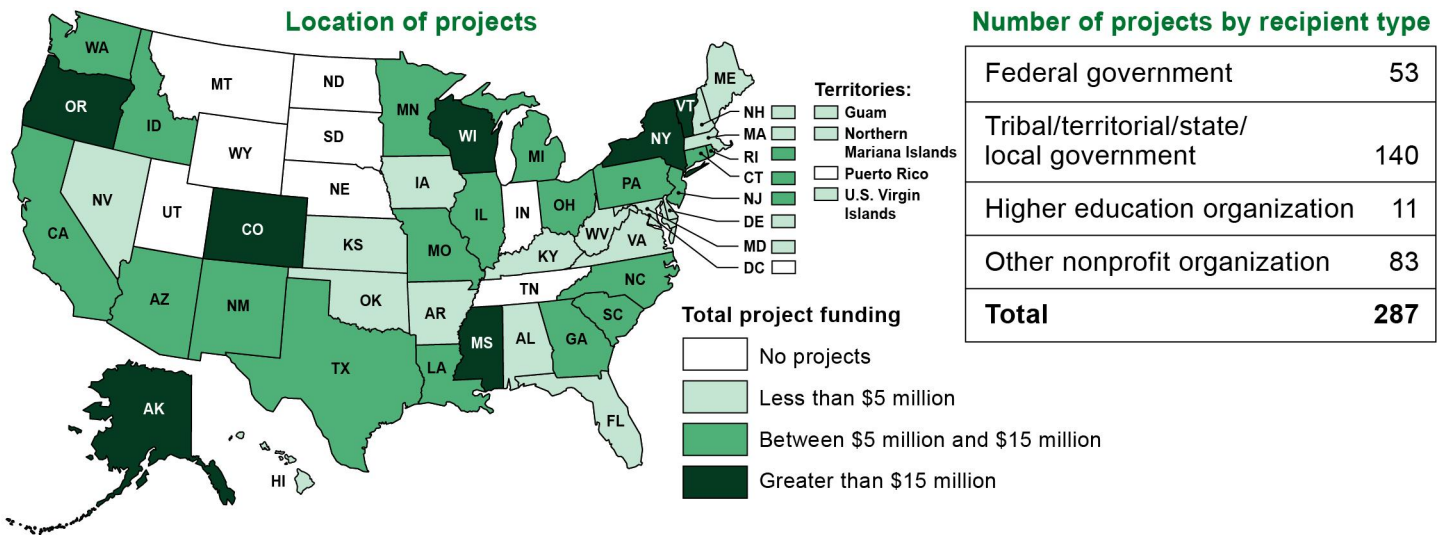
Who are the designated recipients?

Nearly half of the 287 designated recipients are tribal, state, territorial, or local governments, and about one-third are higher education organizations and other nonprofit organizations. Subunits of USDA—referred to as agencies—are designated as the recipients for the remaining funds.

Key Observations

- Nearly half of the projects include funds to help tribal, state, and local governments and other nonfederal entities develop broadband access and other essential services and facilities. These projects will take place in rural communities in 45 states and territories. USDA's Rural Development agency will distribute the funds through existing programs, according to agency officials.
- The amount of funds designated for nonfederal projects ranges from about \$17,000 to \$10 million. The largest nonfederal project (\$10 million) will support an institute in Vermont designed to foster rural partnerships. According to agency officials, USDA agencies will distribute many of these funds as grants or financial assistance.
- The amount of funds designated for federal projects at USDA agencies ranges from \$50,000 to \$39.7 million. The largest federal project (\$39.7 million) is for an Agricultural Research Service facility at a university in Wisconsin.

U.S. Department of Agriculture: Distribution of Fiscal Year 2022 Community Project Funding/Congressionally Directed Spending Provisions



Sources: GAO analysis of Consolidated Appropriations Act, 2022 and accompanying joint explanatory statement; and information provided by the U.S. Department of Agriculture; Map Resources (map). | GAO-23-105913

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

The budget or finance office within specific USDA agencies identified the funds and shares responsibility for monitoring the funds with relevant program offices, according to USDA. USDA officials told us that in most cases, senior officials within each agency's finance or budget office identified the funds by reviewing appropriations language.

Generally, the agency's budget or finance office and relevant program offices will monitor the funds using their established monitoring processes, according to agency officials. For example, officials from the Food and Nutrition Service said its Financial Management Office ensures the financial integrity of all grant funding by reviewing quarterly reports. Its program offices ensure projects are progressing as expected by reviewing semi-annual reports on the grantee's goals, objectives, and activities, according to agency officials.

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

USDA generally will use the same or similar processes it uses for grants and financial assistance to determine if designated recipients are ready to receive and are able to use the funds, according to officials. Recipients generally will be required to submit the same documents as for competitive grants, such as a proposal, work plan, and budget. However, since the Consolidated Appropriations Act, 2022 requires USDA to fund designated projects, certain program requirements will not apply, including certain

eligibility provisions, to facilitate implementation of the projects, according to officials. In addition, designated recipients will not need to compete for the funding, officials said. The agencies will review the documents to ensure the recipient has the capacity to implement the project, and generally they will offer technical assistance to recipients that do not, according to agency officials.

To ensure a nonfederal recipient is able to receive funds, USDA agencies plan to review recipients' registration and status (e.g., suspended or debarred) in the System for Award Management—through which entities must register to receive federal funds. Some officials described additional checks, such as reviewing relevant audits and 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. Some officials told us that if a recipient is unable to receive or use the funds, they would notify Congress.

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

USDA plans to use a variety of mechanisms to ensure funds are spent properly, including requiring work plans, conducting compliance reviews, and reviewing periodic progress reports. For example, according to agency officials:

- Rural Development will obtain documentation on how designated recipients plan to spend the funds, then review and approve reimbursements and invoices to ensure the funds were spent in accordance with work plans and relevant regulations. The agency also plans to conduct in-person compliance reviews, and it will select a portion of the projects that received funds through these provisions for compliance and financial reviews.
- The Animal and Plant Health Inspection Service plans to require periodic monitoring reports, and it will assign each project a program manager who will regularly contact recipients to help ensure they are implementing projects as planned.
- The Forest Service will require periodic performance and financial reports to help monitor projects' status and spending.

Agency officials told us they would use their normal processes to prevent fraud, waste, and abuse, including following standard practices for assessing compliance with federal acquisitions and other regulations. The USDA Office of Inspector General may also decide to review the programs through which these funds will be disbursed, as part of its oversight responsibilities.

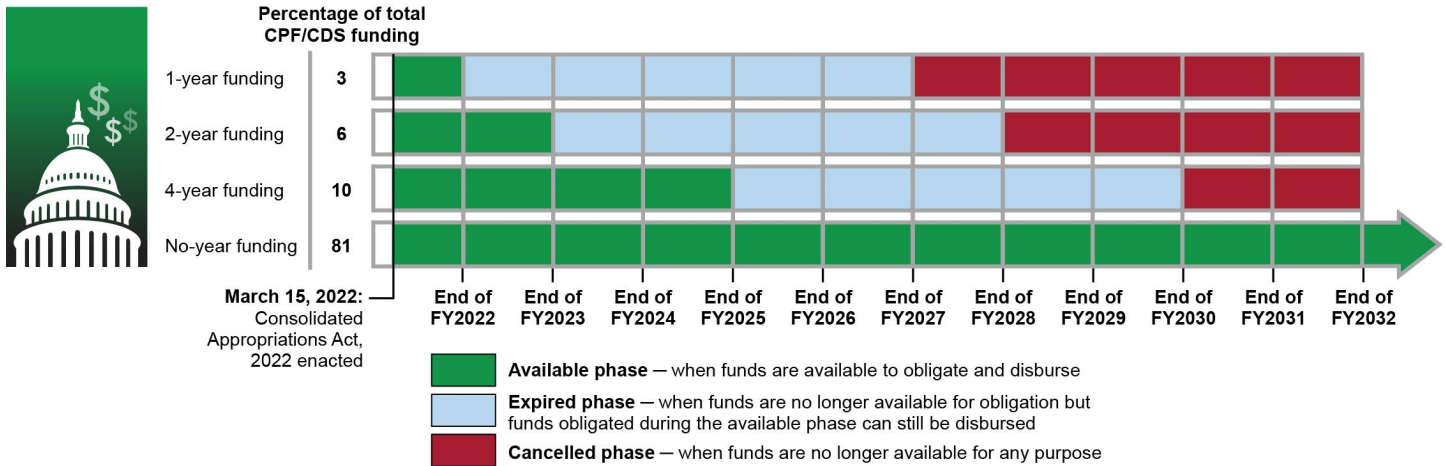
When does the agency expect recipients will have access to these funds, and when might the funds be spent?

Agency officials generally expect to obligate funds to designated recipients by the end of fiscal year 2022 or during fiscal year 2023. This timing will depend on various factors, such as (1) project complexity and (2) the time it takes recipients to register in the System for Award Management and provide required documents to USDA.

Once USDA obligates funds, the amount of time recipients will have to spend the funds varies from 1 to 5 years or more, depending on the nature and complexity of the projects, according to agency officials. For example, officials from the Animal and Plant Health Inspection Service said that designated recipients will generally spend the funds within 12 to 18 months. In contrast, Rural Development's ReConnect program, which provides funds for broadband service in eligible rural areas, requires funds to be spent within 5 years.

The time USDA has to fully disburse the funds appropriated in the Consolidated Appropriations Act, 2022 varies by agency and account. For example, USDA has until the end of fiscal year 2028 to fully disburse funds appropriated to the Conservation Operations account. In contrast, funding for the Agricultural Research Service and Rural Development is no-year and is, therefore, available to USDA until fully expended. For more information on the time availability of these funds, see [GAO-22-105467](#).

U.S. Department of Agriculture: 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 U.S. Department of Agriculture. | GAO-23-105913

Note: While the phases depicted in this figure serve as general limitations for the U.S Department of Agriculture’s use of funds, officials said they generally plan to obligate the funds to recipients by September 30, 2022, or during fiscal year 2023. 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?

Agency officials we interviewed highlighted certain risks and challenges to distributing and monitoring the funds. For example, Rural Development officials reported challenges with contacting some designated recipients. Specifically, these officials said that some funds were directed to large organizations, such as hospitals, without a point of contact, making it hard to identify someone with knowledge to facilitate the distribution of funds. As of July 2022, Rural Development had identified points of contact for all recipients, according to agency officials.

Officials from both the Forest Service and Natural Resources Conservation Service said distributing funds from various recent appropriations, such as the Infrastructure Investment and Jobs Act, had increased the workload for some staff. These officials stated that this could create issues related to staff capacity within the divisions for contracting, grants, and agreements in each agency. These issues could delay the timing of when funds are made available to recipients.

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 USDA with a draft of this report for review and comment. USDA generally agreed with the facts presented in the report. USDA also provided technical comments, which we incorporated as appropriate.

GAO Contact

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We conducted this performance audit from April 2022 to October 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.

Source (cover photo): Sly/stock.adobe.com.

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