

FY 2014 Financial and Program Performance Highlights

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FEB 17 2015

I am pleased to present the U.S. Environmental Protection Agency's *FY 2014 Financial and Program Performance Highlights* and to share with you some of our key accomplishments in protecting human health and the environment during the past year.

Our top achievements included the first-ever proposed standards to address carbon pollution from existing power plants, the single largest source of carbon pollution in the U.S. By 2030, the standards will cut carbon emissions from the power sector by 30 percent nationwide below 2005 levels. Additionally, the EPA expects the proposed standards will cut other related air pollutants by more than 25 percent, averting premature deaths, asthma attacks in children and lost productivity due to missed work or school days and providing up to \$93 billion in climate and public-health benefits.

In efforts to protect America's waters, the EPA and the U.S. Army Corps of Engineers released a proposed rule to clarify protection under the Clean Water Act for streams and wetlands that form the foundation of the nation's water resources. About 60 percent of stream miles in the U.S. flow only periodically but have a considerable impact on downstream waters. Approximately 117 million people – one in three Americans – get drinking water from public systems that rely in part on these streams, which also provide environmental and economic benefits to communities. Our goal in revising the rule is straightforward: to respond to requests from stakeholders across the country to make the process of identifying waters protected under the CWA easier to understand, more predictable, and more consistent with the law and peer-reviewed science.

The EPA also continued working with state and local governments, business and industry leaders and other partners to clean up communities. To date, Brownfields Program grants and technical assistance have helped assess 22,337 brownfields properties, leverage 103,740 jobs and make more than 47,000 acres ready for anticipated reuse.

Achieving goals for safe drinking water, swimmable and fishable streams, cleaner air and healthier communities and neighborhoods requires not only new strategies and compliance but also vigorous enforcement. Under our national enforcement initiatives, the EPA addressed pollution problems that affect our communities. For example, Minnesota Power agreed to reduce harmful air pollution from three coal-fired power plants. The settlement requires the company to take actions to cut harmful emissions by more than 13,350 tons annually and mitigate negative local impacts on the Fond du Lac Band tribe and Voyageurs National Park.

Last April, the EPA released its *FY 2014-2018 Strategic Plan*, which provides a blueprint for advancing our mission to protect human health and the environment nationwide. The plan envisions a new era of partnerships with state and local governments, tribes, federal agencies, businesses and industry leaders to achieve environmental benefits in a pragmatic, collaborative

way. We want to ensure that everyone, regardless of age, race, economic status or ethnicity, has access to clean water, clean air and the opportunity to live, work and play in healthy communities.

EPA managers and staff are dedicated to our mission and to meeting Americans' expectations for a clean, healthy environment for all communities across the nation. We will continue to carry out our work with our partners to achieve results and to be held accountable for using the financial resources entrusted to us in the most effective and efficient ways possible.



Gina McCarthy



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

OFFICE OF THE
CHIEF FINANCIAL OFFICER

I am pleased to join the Administrator in presenting the Environmental Protection Agency's web-based *FY 2014 Financial and Program Performance Highlights*, an exclusively online report designed to provide easy access to key information about our annual performance and financial results.

During FY 2014, the EPA achieved many important milestones working collaboratively with our federal, state, and tribal partners to advance our mission to protect human health and the environment. After addressing approximately 200 sets of stakeholder comments as a result of extensive outreach, we issued the *FY 2014-2018 EPA Strategic Plan*, which will guide our work over the next few years. We also continued to work with our partners to implement E-Enterprise for the Environment, a transformative 21st century strategy to modernize how government agencies deliver environmental protection. Through joint governance, the states, tribes, and the EPA are collaboratively streamlining business processes and driving and sharing innovations across agencies and programs that will benefit the regulated community as well as the public.

Throughout FY 2014, we continued to take our role as stewards of the resources entrusted to us seriously. For the 15th consecutive year, the EPA's Office of Inspector General issued an unqualified or "clean" opinion on the Agency's financial statements. We evaluated our internal controls for several sensitive payment areas and took actions to implement corrective actions to strengthen internal controls for these areas. To improve our business operations, we transitioned to a new human resources and payroll shared service provider, the Department of the Interior's Interior Business Center, to integrate our human resources and payroll information to improve business performance. We also changed our electronic travel system shared service provider to Concur, which will allow better oversight and verification of employee travel-related expenditures, and avoid increased costs.

EPA remains committed to financial excellence and will continue striving to ensure that we use taxpayer dollars effectively and efficiently in fulfilling our mission. I look forward to the Agency's continued success through collaboration with our partners and stakeholders to help deliver the best results to the American people.

A handwritten signature in blue ink, appearing to read "David A. Bloom", with a long horizontal line extending to the right.

David A. Bloom
Acting Chief Financial Officer

Introduction



EPA's FY 2014 Financial and Program Performance Highlights, provided through the tabs above, offers a snapshot of the Agency's FY 2014 performance in five environmental areas, four cross-agency strategies, as well as highlights of how the Agency manages its internal operations.

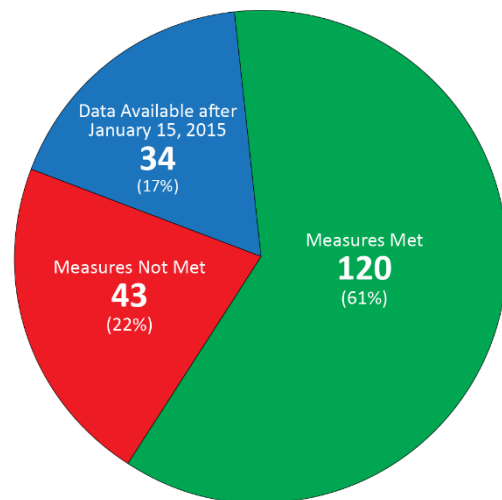
Measuring progress and reporting the results are essential to EPA's public accountability and a critical component of the Agency's planning and budgeting cycle.

EPA uses performance measures to assess progress toward the goals outlined in its [FY 2014–2018 Strategic Plan](#) to inform decision-making and communicate results to stakeholders. In its [FY 2014 Annual Plan and Budget](#), EPA committed to 197 annual performance measures. The graph to the right depicts the number of these measures met and not met, as well as those awaiting data as of January 15, 2015. EPA discusses its results in more detail, including reasons for missing or exceeding FY 2014 targets, in its [FY 2014 Annual Performance Report](#).

In addition to annual performance measures, the Agency tracks performance on the FY 2014–2015 Agency's Priority Goals (APGs), a component of the Administration's performance management framework which supports improvement in near-term outcomes related to the strategic plan. More information on the Agency's APGs is available at performance.gov.

EPA's FY 2014 Performance Results

(Total measures = 197)



Region 4

Groundbreaking Clean Power Plan Outreach: EPA Regions 4 and 10 served as regional leads partnering with the National Program for unprecedented outreach on the President's Clean Power Plan, a groundbreaking plan to reduce greenhouse gases from existing electric generation facilities for the first time on a national level. EPA regions met with groups of stakeholders across the U.S. to explain the proposed rule that incorporates energy efficiency, renewable energy, and flexibility.

Region 5

[First-ever Permits to Sequester Carbon from Coal-fired Power Plants:](#) Region 5 issued the nation's first permits to sequester carbon from a coal-fired power plant. Four Underground Injection Control Program (UIC) Class VI permits were issued to allow the FutureGen project – an oxy-combustion coal plant in Illinois – to inject over 25 million metric tons of carbon dioxide into a deep geologic formation. Additionally, Region 5 issued a Class VI permit to sequester carbon dioxide at an Illinois ethanol plant.

Region 6

[EPA Welcomes NCAA Final Four and Sustainability to North Texas:](#) EPA organized Educational Outreach and Food Recovery for the National Collegiate Athletic Association (NCAA) Final Four in Texas. During the events, EPA worked with two non-profit organizations—Rock and Wrap It Up! and Food Source DFW—to facilitate food recovery at AT&T Stadium and the Kay Bailey Hutchison Convention Center. The partnership resulted in 2,800 pounds of leftover food delivered to homeless shelters. As a result, the Kay Bailey Hutchison Convention Center has established a program to provide leftover edible food from catered events to the nearby Dallas Life Shelter and has enrolled in the Food Recovery Challenge. Reducing, recovering, and recycling food at sporting events decreases environmental impacts by reducing the waste generated by large-scale food disposal and saving the energy required to dispose of that food.

Region 7

EPA/State Implementation Plan Efforts: EPA Region 7 led the development of a national framework for coordinating SIP planning with states, including development, submittal, and EPA final action. This framework, or 4-Year Plan, provides a planning tool for the reduction of SIP backlogs and supports EPA in meeting Clean Air Act timeframes. Region 7 manages AirTrax, a national database that populates the National SIP Tracking Report, an integral tool the air program uses to manage SIPs.

Region 8

Colorado Flood Recovery: Immediately following the September 2013 Colorado flood, Region 8's first task was to address the hazardous materials releases. Response crews recovered 35 cars, 329 propane tanks, 259 refrigerators and freezers, 47 batteries, 198 drums, more than 9,000 containers, and many other items. Region 8 also stabilized and rebuilt the eroded slope of the tailings pile underlying Elysian Park, removed stream debris, and stabilized the stream channel through the town of Jamestown. A second cleanup site required Region 8 to stabilize and restore creek banks, saving Jamestown from being inundated by an estimated 25,000 cubic yards of mine remnants. Region 8's repair of these old clean-up sites and its response to the dangerous flooding provided critical support that the counties needed to recover from the storm.

Region 9

Clearing the Haze: EPA Region 9 developed three federal implementation plans for air quality that will reduce emissions of sulfur dioxide (SO₂) by 29,300 tons per year and nitrogen oxides (NO_x) by 22,100 tons per year. The plans will improve visibility in 18 [protected national parks in the Pacific Southwest](#), protect public health, and help transition the region to cleaner power. The two [Arizona federal plans](#) reduce pollution from seven facilities, and the [Navajo Nation plan](#) will reduce emissions of NO_x from the Navajo Generating Station by 80%. In developing the plans, Region 9 conducted extensive outreach with the State and Tribe, the public, and the impacted facilities; held five public hearings and over 50 consultation meetings with tribes; and, responded to 77,000 public comments.

Region 10

Puget Sound Basin Treaty Rights at Risk: EPA Region 10's Puget Sound Program (State of Washington) addressed several issues related to Treaty Rights at Risk. EPA directed \$2.8 million in 2014 funding and \$3.0 million planned in 2015 to kick-start coordinated investments for riparian buffer restoration and permanent protection. In addition, EPA directed \$1 million for culvert removal projects in the Puget Sound Basin and worked with federal and state partners to develop strategies to address fish passage barriers and reduce shoreline armoring. EPA, the National Oceanic and Atmospheric Administration, and the Natural Resources Conservation Service led the Puget Sound Federal Caucus in the early development of a coordinated investment strategy to accelerate the pace of salmon and shellfish recovery.

Goal 1: Addressing Climate Change and Improving Air Quality

Reduce greenhouse gas emissions and develop adaptation strategies to address climate change and protect and improve air quality.



- In June 2014, EPA proposed [standards](#) to [address carbon pollution](#) from existing power plants, providing up to \$93 billion in climate and public health benefits by cutting carbon pollution from the power sector by 30 percent below the 2005 levels and reduce particle matter pollution, nitrogen oxides, and sulfur dioxide by more than 25 percent by 2030.
- EPA finalized [Tier 3 Motor Vehicle Emission and Fuel Standards](#) that set new vehicle emission standards and lower allowable sulfur content of gasoline. By 2030, Tier 3 standards will prevent up to 2,400 premature deaths annually and 23,000 cases of respiratory ailments in children.
- EPA published an [Advance Notice of Proposed Rulemaking](#) to update air toxics standards for [petroleum refineries](#), which includes requirements for fence-line monitoring. When fully implemented, the provisions in this rule will result in a reduction of 5,600 tons per year of toxic air pollutants and 52,000 tons per year of VOCs.
- The agency finalized its [rule](#) to reduce harmful pollution from the [Navajo Generating Station](#), the result of a five-year efforts between the federal government and tribes, utilities, water users, and environmental groups. When fully implemented by 2030, the EPA plan will reduce nitrogen oxides emissions by about 80 percent and the visual impairment from the NGS by roughly 73 percent at 11 national parks and wilderness areas.
- The agency is directly training 45,700 [healthcare professionals](#) in [environmental asthma management](#) as part of a 10-year national education and outreach effort.

Goal 1 at a Glance

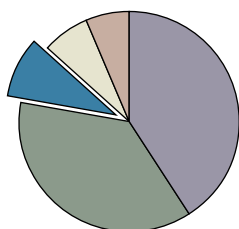
ADDRESSING CLIMATE CHANGE AND IMPROVING AIR QUALITY

Reduce greenhouse gas emissions and develop adaptation strategies to address climate change and protect and improve air quality.

FY 2014 Performance Measures

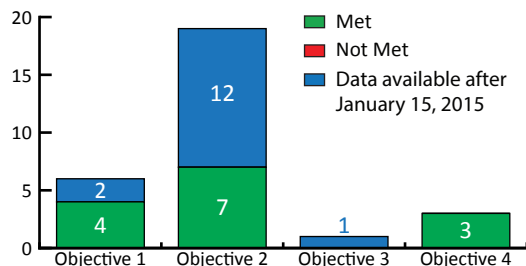
Met: 14 Not Met: 0 Data Unavailable: 15
(Total Measures: 29)

FY 2014 Obligations*

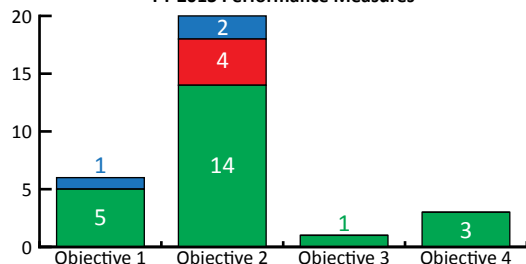


- Taking Action on Climate Change and Improving Air Quality, \$1,041,176.6
- Protecting America's Waters, \$4,752,188.6
- Cleaning Up Communities and Advancing Sustainable Development, \$4,297,969.8
- Ensuring the Safety of Chemicals and Preventing Pollution, \$733,537.3
- Enforcing Environmental Laws, \$793,178.9

FY 2014 Performance Measures



FY 2013 Performance Measures



Strategic Objective Overview	FY 2014 Obligations*	% of Goal 1 Funds
Objective 1.1: Address Climate Change. EPA is developing common-sense GHG regulatory programs to curb emissions, working with state and local agencies to address sources of GHG emissions; building on its successful partnerships in such areas as the buildings, industry, and transportation sectors; and developing climate adaptation strategies to address the challenges of a changing climate.	\$198,738.1	19%
Objective 1.2: Improve Air Quality. EPA has acted to dramatically improve America's air quality by finalizing air quality standard, implementing health-based ambient air quality standards, proposing regulations to reduce particulate matter for new wood heaters, and proposing that communities neighboring refineries monitor emission are not being exposed to unintended emissions.	\$783,135.1	75%
Objective 1.3: Restore and Protect the Ozone Layer. EPA continues to make progress to restore and protect the ozone layer by reducing U.S. consumption of hydrochlorofluorocarbons (HCFCs)—chemicals that deplete the earth's protective ozone layers.	\$17,675.7	2%
Objective 1.4: Minimize Exposure to Radiation. EPA is on track to meet its strategic objective of minimizing exposure to radiation by maintaining readiness, both in personnel and assets, to support federal radiological emergency response and recovery operations by minimizing unnecessary exposures to radiation, including operating and maintaining RadNet, providing oversight at the Waste Isolation Pilot Plant, and developing important rules and guidance documents.	\$41,627.7	4%
Goal 1 Total	\$1,041,176.6	100%

*All figures in thousands

†Numbers reflect corrections made since EPA published its FY 2016 Congressional Budget Justification.

Goal 2: Protecting America's Waters

Protect and restore waters to ensure that drinking water is safe and sustainably managed, and that aquatic ecosystems sustain fish, plants, wildlife, and other biota, as well as economic, recreational, and subsistence activities.



- In December, 2013, EPA announced a new framework to enhance the efficiency of the [Clean Water Act \(CWA\) Section 303\(d\) Program with States](#), focusing on priority waters and providing flexibility to states to use tools beyond the Total Maximum Daily Load (TMDL) rule to attain water quality restoration and protection.
- In April, 2014, EPA and the U.S. Army Corps of Engineers released a [proposed rule](#) to clarify protection under the [Clean Water Act](#) for streams and wetlands that form the foundation of the nation's water resources. Holding over 300 meetings with stakeholders, the agencies gathered input needed to shape the final rule.
- In June, 2014, the [Chesapeake Bay Watershed Agreement](#) was signed, committing the Bay's headwater states to full partnership in the Bay Program. The agreement builds from the foundation laid by the [Executive Order 13508 on Chesapeake Bay Protection and Restoration](#) and [identifies ten goals linked to a set of outcomes](#) that will advance the restoration and protection of the Bay watershed.

Goal 2 at a Glance

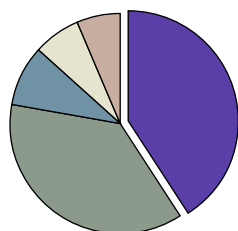
PROTECTING AMERICA'S WATERS

Protect and restore waters to ensure that drinking water is safe and sustainably managed, and that aquatic ecosystems sustain fish, plants, wildlife, and other biota, as well as economic, recreational, and subsistence activities.

FY 2014 Performance Measures

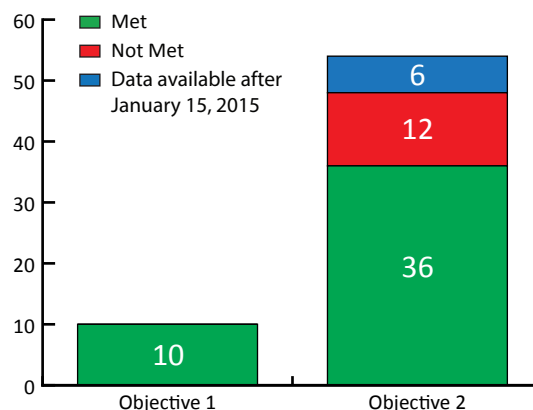
Met: 46 Not Met: 12 Data Unavailable: 6
(Total Measures: 64)

FY 2014 Obligations*



- Taking Action on Climate Change and Improving Air Quality, \$1,041,176.6
- Protecting America's Waters, \$4,752,188.6
- Cleaning Up Communities and Advancing Sustainable Development, \$4,297,969.8
- Ensuring the Safety of Chemicals and Preventing Pollution, \$733,537.3
- Enforcing Environmental Laws, \$793,178.9

FY 2014 Performance Measures



Strategic Objective Overview	FY 2014 Obligations*	% of Goal 2 Funds
Objective 2.1: Protect Human Health. EPA has made progress addressing the safety of our nation's drinking water through collaborating between federal agencies, tribes, states and local water utilities to support the Drinking Water State Revolving Fund (DWSRF), development of recreational water quality criteria, evaluation of monitoring data, and working closely with states through capacity development and optimization programs to enhance small system sustainability, principally through optimization trainings and state-EPA workgroups and products.	\$1,371,268.1	29%
Objective 2.2: Protect and Restore Watersheds and Aquatic Ecosystems. EPA is making steady progress in protecting and restoring watersheds and aquatic ecosystems, despite the challenges from population growth, aging infrastructure, and climate change. Key activities include, updating water quality standards, implementing the National Pollutant Discharge Elimination System (NPDES) permit program, conducting monitoring and assessment, implementing practices to reduce pollution from agricultural and urban runoff (e.g., nonpoint sources), protecting wetlands and habitat, and developing total maximum daily loads (TMDLs) to reduce pollutants.	\$3,380,920.5	71%
Goal 2 Total	\$4,752,188.6	100%

*All figures in thousands

†Numbers reflect corrections made since EPA published its FY 2016 Congressional Budget Justification.

Goal 3: Cleaning Up Communities and Advancing Sustainable Development

Clean up communities, advance sustainable development, and protect disproportionately impacted low-income and minority communities. Prevent releases of harmful substances and clean up and restore contaminated areas.



- Brownfields re-development and cleanup activities resulted in more than 12,300 jobs leveraged, and grant recipients indicated that \$1.29 billion dollars were leveraged through Brownfields cleanup and redevelopment activities in FY 2014.
- In May, 2014, the inter-agency Chemical Facility Safety and Security Working Group released [a status report](#) to the President, highlighting progress and a plan to improve chemical facility safety under [Executive Order 13650 on Improving Chemical Facility Safety and Security](#).
- EPA issued a [final rule](#) to help create a consistent national framework ensuring the safe and effective deployment of carbon [capture and sequestration \(CCS\) technologies](#) to help reduce carbon pollution and move us toward a cleaner, more stable environment.
- Under EPA's [Sustainable Materials Management \(SMM\) program](#), the [Food Recovery Challenge](#) participants diverted 375,000 tons of food from landfills, the [Electronics Challenge](#) participants increased electronic waste collection by 7.5 percent from FY 2013, and the [Federal Green Challenge](#) federal agencies reduced their environmental footprint, resulting in \$42 million in cost savings.
- The Department of the Interior and EPA co-lead the [Climate Change Subgroup](#) under the [White House Council on Native American Affairs](#) to coordinate Administration efforts to assist tribes in climate resilience and mitigation efforts. The Subgroup identified proposed pilots to further federal interagency cooperation and support working with tribal partners.

Goal 3 at a Glance

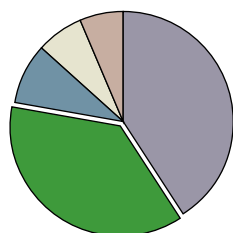
CLEANING UP COMMUNITIES AND ADVANCING SUSTAINABLE DEVELOPMENT

Clean up communities, advance sustainable development, and protect disproportionately impacted low-income and minority communities. Prevent releases of harmful substances and clean up and restore contaminated areas.

FY 2014 Performance Measures

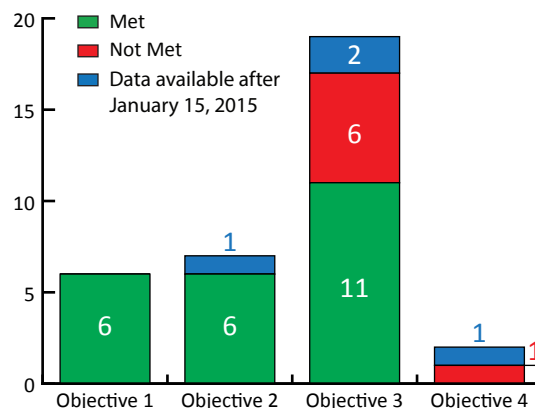
Met: 23 Not Met: 7 Data Unavailable: 4
(Total Measures: 34)

FY 2014 Obligations*



- Taking Action on Climate Change and Improving Air Quality, \$1,041,176.6
- Protecting America's Waters, \$4,752,188.6
- **Cleaning Up Communities and Advancing Sustainable Development, \$4,297,969.8**
- Ensuring the Safety of Chemicals and Preventing Pollution, \$733,537.3
- Enforcing Environmental Laws, \$793,178.9

FY 2014 Performance Measures



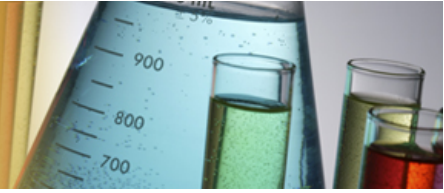
Strategic Objective Overview	FY 2014 Obligations*	% of Goal 3 Funds
Objective 3.1: Promote Sustainable and Livable Communities. EPA continued to make progress promoting sustainable communities by providing grants and technical assistance to communities under the Brownfields program and working with a variety of stakeholders to prevent accidents at chemical facilities.	\$507,897.8	12%
Objective 3.2: Preserve Land. EPA continued to make progress developing and implementing targeted SMM programs (responsible management of used electronics, sustainable food management, and reducing the environmental footprint of the federal government); issued the E-Manifest One-Year Rule; and engaged in rigorous UST release prevention efforts.	\$1,190,503.7	28%
Objective 3.3: Restore Land. EPA made progress toward its FY 2014 - 2015 Agency Priority Goal regarding efforts to prepare and respond to emergencies and clean up contaminated land; however, EPA faced challenges in the Superfund Remedial Program.	\$2,512,443.0	58%
Objective 3.4: Strengthen Human Health and Environmental Protection in Indian Country. EPA continues to build tribal capacity through the implementation of the GAP Guidance and EPA's Tribal Consultation Policy. By developing new GAP performance measures and scoping out characteristics of a needs assessment, the agency will be able to identify problems, prioritize issues, and address the gaps in environmental protection in Indian Country.	\$87,125.3	2%
Goal 3 Total	\$4,297,969.8	100%

*All figures in thousands

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Goal 4: Ensuring the Safety of Chemicals and Preventing Pollution

Reduce the risk and increase the safety of chemicals and prevent pollution at the source.



- The agency is updating the original list of 83 chemicals as candidates for assessment under the [Toxic Substances Control Act Work Plan](#) and completed chemical assessments for four VOCs: trichloroethylene (TCE), dichloromethane (DCM), antimony trioxide (ATO), and 1,3,4,6,7,8-Hexahydro-4,6,6,7,8,8-hexamethylcyclopenta- γ -2-benzopyran (HHCB.)
- EPA expanded the [ChemView](#) database to include more than 8,300 chemicals, including 298 Consent Orders, 73 test rule chemicals, and an additional 1,000 New Chemical Significant New Use Rules.
- EPA's Design for the Environment (DfE) Program recognized 164 additional products that meet the criteria for the [Safer Products Labeling Program](#), bringing the total number of products bearing the DfE logo to approximately 2,500 and added 49 chemicals to the Safer Chemicals Ingredients List. EPA proposed four new logo designs and is soliciting public comment to introduce a new logo in FY 2015.

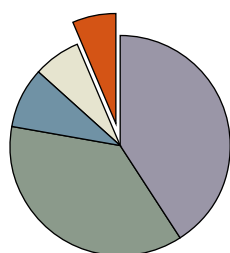
Goal 4 at a Glance

ENSURING THE SAFETY OF CHEMICALS AND PREVENTING POLLUTION

Reduce the risk and increase the safety of chemicals and prevent pollution at the source.

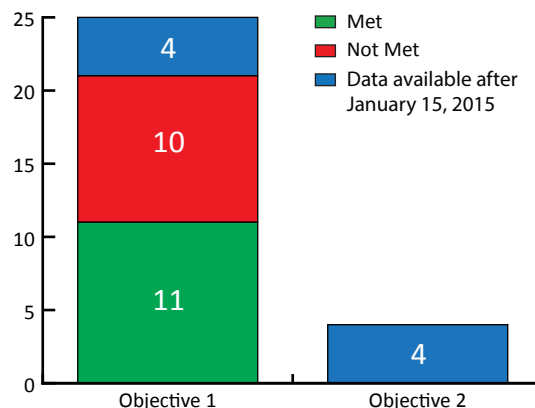
FY 2014 Performance Measures

Met: 11 Not Met: 10 Data Unavailable: 8
(Total Measures: 29)



- FY 2014 Obligations***
- Taking Action on Climate Change and Improving Air Quality, \$1,041,176.6
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 - **Ensuring the Safety of Chemicals and Preventing Pollution, \$733,537.3**
 - Enforcing Environmental Laws, \$793,178.9

FY 2014 Performance Measures



Strategic Objective Overview	FY 2014 Obligations*	% of Goal 4 Funds
Objective 4.1: Ensure Chemical Safety. EPA is making significant achievements in chemical assessment and online public access, along with progress in additional areas as new chemical review, chemical risk management, review of existing Confidential Business Information cases. EPA is advancing the use of ToxCast high-throughput screening data and continues to reduce the risk of lead through outreach and certification programs. Challenges included statutory constraints affecting chemical assessment, and the sheer number of chemicals in commerce for which data are lacking.	\$676,964.2	92%
Objective 4.2: Promote Pollution Prevention (P2). EPA is achieving significant environmental benefits through the development of P2 solutions (greener/leaner/safer chemicals, technologies, and practices) and promoting increased use of those solutions (e.g., increased institutional and consumer purchasing of greener products; increased industrial application of greener technologies and practices). P2 strategies are key elements of EPA's approach to achieving a sustainable future.	\$56,573.1	8%
Goal 4 Total	\$733,537.3	100%

*All figures in thousands

†Numbers reflect corrections made since EPA published its FY 2016 Congressional Budget Justification.

Goal 5: Protecting Human Health and the Environment by Enforcing Laws and Assuring Compliance

Protect human health and the environment through vigorous and targeted civil and criminal enforcement. Use Next Generation Compliance strategies and tools to improve compliance with environmental laws.

- Under EPA's [national enforcement initiatives](#), EPA addressed pollution problems that make a difference in communities, including overburdened communities.
- EPA is making progress implementing each of the five components of [Next Generation Compliance](#). Examples include EPA's utilization of advanced technologies to find emission leaks that would otherwise be difficult to find, incorporating advanced monitoring requirements into enforcement settlements ([AL Solutions Inc](#), [Calumet, Shreveport Lubricants and Waxes, LLC.](#)), and hosting a "[Next Generation Compliance Advanced Monitoring Tech Demo Day](#)" that convened some of the latest advances in pollution monitoring across the country.
- Examples of case settlements with significant impacts on public health or the environment include [Titanium Metals Corporation](#), [Kerr-McGee Corporation and related subsidiaries of Anadarko Petroleum Corporation](#), [E.I. du Pont de Nemours and Company](#), [Tonawanda Coke Corporation](#), [East Bay Municipal Utility District and seven East Bay Communities](#), carbon black manufacturer [Cabot Corporation](#), pesticide producer [Harrell's LLC](#), [Elementis Chromium, Inc.](#), [Chesapeake Appalachia](#), and [Newfield Production Company](#).
- In support of the National Pollutant Discharge Elimination System ([NPDES Electronic Reporting Rule](#)), EPA developed new capabilities for the Electronic Notice of Intent tool, called the NPDES eReporting Tool (NeT), which supports reporting of NPDES data by applicants for general NPDES permits.
- EPA enhanced searches for data related to compliance, violations, enforcement cases, facilities and/or pollutants as part of the modernized version of [EPA's Enforcement and Compliance History Online](#) (ECHO) website, the Agency's primary website for providing public access to regulatory compliance and enforcement data.

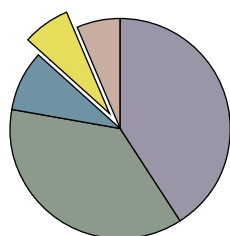
Goal 5 at a Glance

PROTECTING HUMAN HEALTH AND THE ENVIRONMENT BY ENFORCING LAWS AND ASSURING COMPLIANCE

Protect human health and the environment through vigorous and targeted civil and criminal enforcement. Use Next Generation Compliance strategies and tools to improve compliance with environmental laws.

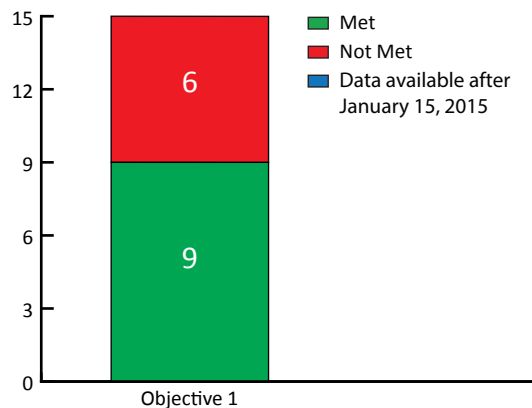
FY 2014 Performance Measures

Met: 9 Not Met: 6 Data Unavailable: 0
(Total Measures: 15)



- FY 2014 Obligations***
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FY 2014 Performance Measures



Strategic Objective Overview	FY 2014 Obligations*	% of Goal 5 Funds
Objective 5.1: Enforce Environmental Laws to Achieve Compliance. A wide range of activities enable EPA's enforcement and compliance offices to make progress towards this objective: applying new technology to better target inspections; focusing on cases that address the worst environmental problems, the highest risks, and significant noncompliance; and ensuring federal facility compliance and cleanup of Superfund sites.	\$793,178.9	100%
Goal 5 Total	\$793,178.9	100%

*All figures in thousands

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Cross-Agency Strategies



EPA's FY 2014-2018 Strategic Plan sets forth the following four cross-agency strategies, which set clear expectations for changing the way EPA does business in achieving its results. Select highlights under these strategies are outlined under this tab. A full list of FY 2014 accomplishments and challenges are included in [EPA's FY 2014 Annual Performance Report](#).

Working Toward a Sustainable Future

- Via the online ideation platform, GreenSpark, staff from across the Agency shared ideas on ways to conserve resources; reduce energy, water, and waste; and otherwise reduce the environmental footprint of EPA facilities, including actions to reduce their own environmental impact at work. From those ideas, winners were selected after being evaluated for cost, feasibility, and popularity. These include increasing paperless correspondence and composting.
- EPA participated in the [Green Infrastructure Collaborative](#), which brought external stakeholders and the federal family together to encourage and assist in the adoption of green infrastructure in communities as a means of supporting water quality, resiliency, and community development goals.

Working to Make a Visible Difference in Communities

- EPA improved and provided training for [GeoPlatform](#), which provides a common platform for mapping EPA investments and activities, resulting in an increase in users of over 1,300 (a 50 percent increase in overall usage from 2013). It now hosts 48 programmatic geospatial tools, including mapping community-level grants and technical assistance projects. GeoPlatform supports rapid deployment of public map views, as well as advanced applications such as EPA's EJSCREEN, [NEPAssist](#), and GeoGrants.
- EPA provided significant input to HUD's Notice of Funding Availability for the [Community Development Block Grant Disaster Recovery Funds](#) and HUD/DOT/USDA are participating in EPA high-level strategy meetings to support implementation of Task 1.

Launching a New Era of State, Tribal, Local, and International Partnerships

- EPA conducted outreach across the country with our state, local, and tribal partners on the [New Source Performance Standards](#) for Greenhouse Gases, the Clean Water Rule, climate resilience, and chemical plant safety.

- EPA designed a new approach to ensure earlier and more meaningful engagement with states and tribes in the development of national priorities through the [National Program Managers guidances](#) and took additional steps to provide more flexibility for states and tribes in addressing national program goals through the [National Environmental Performance Partnership System](#).
- For the second year, EPA conducted mandatory agency-wide training to all EPA employees on how to implement the [Policy on Consultation and Coordination with Indian Tribes](#).

Embracing EPA as a High-Performing Organization

- In FY 2014, EPA successfully launched Skills Marketplace, GreenSpark, and SharePoint to increase employee engagement and collaboration; piloted new workplace designs in efforts to reduce our environmental footprint; applied Lean techniques to streamline our business processes; and implemented new strategic sourcing approaches to achieve efficiencies and economies in our acquisition programs.



Financial Performance

Sound Financial Management

EPA carries out its mission to protect human health and the environment with the support of strong financial management. For the 15th consecutive year, EPA's Office of Inspector General (OIG) issued an unqualified or "clean" opinion on the Agency's financial statements. A clean opinion means that the Agency's numbers are reliable.

Some of EPA's most significant financial achievements in FY 2014 include:

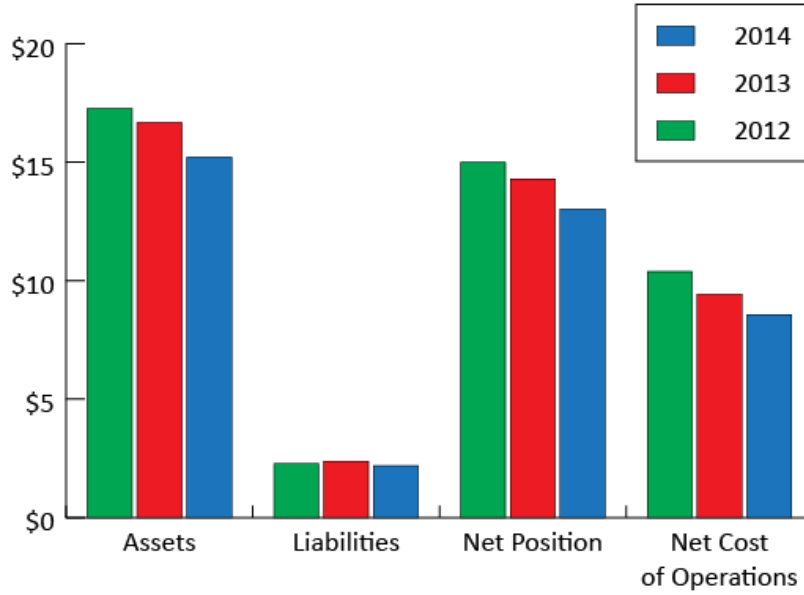
- Implemented a robust set of controls, improved the quality of data, and reported to the Office of Inspector General and the public on conference spending.
- Evaluated the Agency's control over sensitive employee payment areas such as travel, payroll, parking and transit subsidies.
 - Established a Natural Resource Damage Revolving Trust Fund to receive funds obtained from responsible parties for use by the EPA in addressing environmental damage and advancing assessment and restoration work as a result of the Deepwater Horizon oil spill.

EPA's Financial Statements

The chart below displays assets, liabilities, net position, and net cost of operations as of September 30, 2014. EPA's assets totaled \$15.21 billion at the end of FY 2014, a 9.24 percent decrease from FY 2013. EPA's liabilities totaled \$2.19 billion at the end of FY 2014, a 7.9 percent decrease from FY 2013. The net cost of operations shows EPA's gross cost to operate, minus exchange revenue earned from its activities.

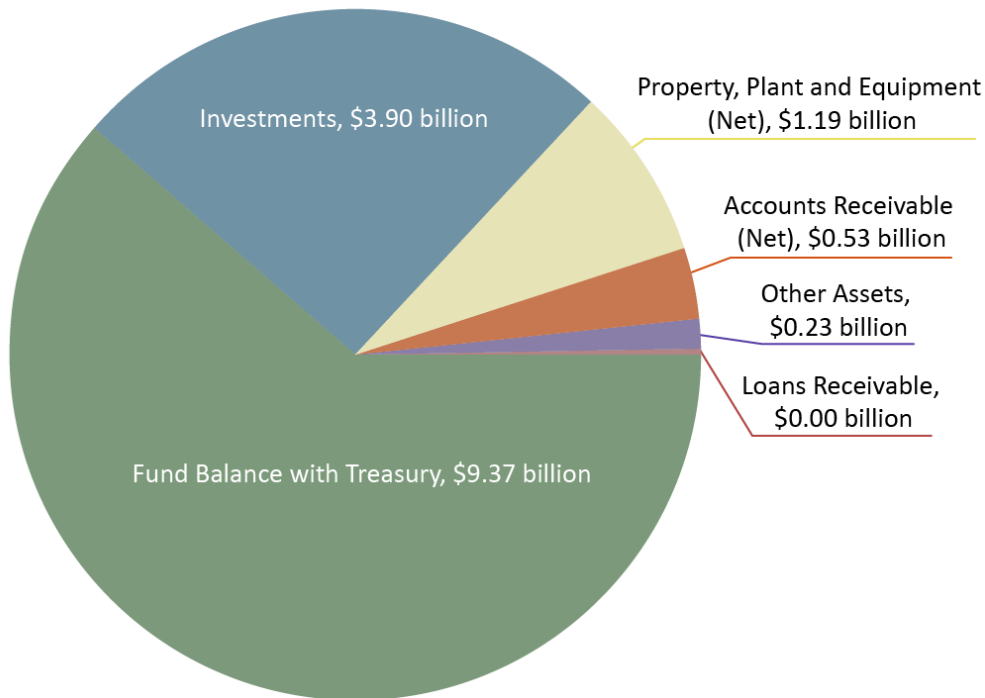
Balance Sheet Trend

(Dollars in billions)



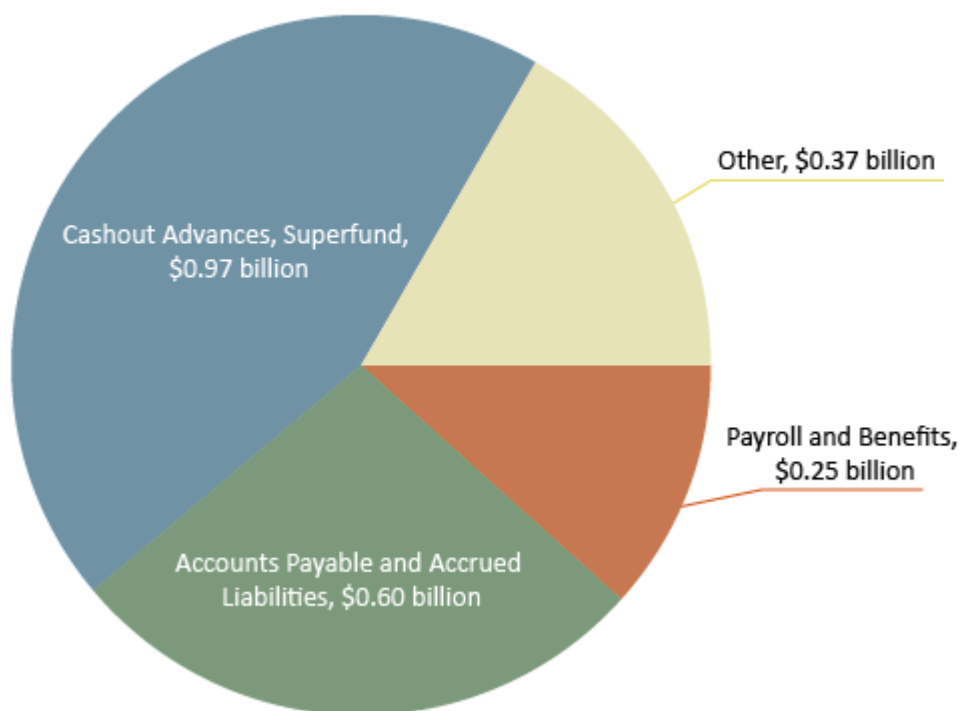
Assets

FY 2014 Composition of Assets



Liabilities

FY 2014 Composition of Liabilities



The EPA Holds Itself Accountable

The [Federal Managers' Financial Integrity Act](#) and [Office of Management and Budget Circular A-123](#) require agencies to report to the President and Congress on the effectiveness of internal controls over programmatic operations and financial activities, and the conformance of the Agency's financial systems to government-wide standards. During FY 2014, the Agency reviewed 10 key financial processes and 237 key controls and found no new material weaknesses. Subsequent to the Agency's review, EPA's Office of the Inspector General identified one new material weakness during the FY 2014 Financial Statement Audit related to the recording of transactions and capitalization of software costs. Based on the results of the FY 2014 evaluation and reviews, the Administrator provided reasonable assurance on the adequacy and effectiveness of the Agency's internal controls over programs, financial activities, and financial systems.

The Agency also responded to management challenges, which EPA's OIG identifies each year. The following are the [Key Management Challenges \(PDF\)](#) (17 pp, 4.4 MB) identified in FY 2014:

1. Oversight of states authorized to accomplish environmental goals
2. Limited controls hampers the safe reuse of contaminated sites
3. Regulatory and resource limitations constrain EPA's assessment and management of chemical risks
4. EPA needs to improve its workload analysis to accomplish its mission efficiently and effectively
5. EPA needs to enhance information technology security to combat cyber threats

6. EPA needs improved management oversight to combat fraud and abuse in time and attendance, computer usage, and real property management.



THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

Reliability of the EPA's Performance Data

Data used to report performance results are reliable and as complete as possible. Because improvements in human health and the environment may not become immediately apparent, there might be delays between the actions we have taken and results we can measure. Additionally, we cannot provide results data for several of our performance measures for this reporting year. When possible, however, we have portrayed trend data to illustrate progress over time. We also report final performance results for previous years that became available in FY 2014.

Gina McCarthy
Administrator

1/28/15

Date