



At a Glance

The EPA's Fiscal Year 2026 Top Management Challenges

What Are Management Challenges?

The Reports Consolidation Act of 2000 requires each inspector general to prepare an annual statement summarizing what the inspector general considers to be “the most serious management and performance challenges facing the agency” and to briefly assess the agency’s progress in addressing those challenges. To that end, the Office of Inspector General for the U.S. Environmental Protection Agency has prepared this statement, which identifies what we consider to be the six most serious management and performance challenges facing the EPA in fiscal year 2026. These challenges represent the Agency’s vulnerabilities to waste, fraud, abuse, and mismanagement, as well as the most significant barriers to the EPA accomplishing its mission.

The top management challenges consider the EPA administrator’s five guiding pillars:

- *Pillar 1: Clean air, land, and water for every American.*
- *Pillar 2: Restore American energy dominance.*
- *Pillar 3: Permitting reform, cooperative federalism, and cross-agency partnership.*
- *Pillar 4: Make the United States the artificial intelligence capital of the world.*
- *Pillar 5: Protecting and bringing back American auto jobs.*

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We identified six top management challenges for the EPA:

- 1. Managing contracts, grants, and associated data systems.** Grants and contracts constitute a significant portion of the EPA’s annual budget. Effectively monitoring and managing grant and contract awards requires the EPA to maintain quality data that can be used to measure and track performance; ensure compliance with funding requirements; and reduce the risk of fraud, waste, and abuse. In addition, Agency data systems that have poor quality data inhibit our ability to provide effective oversight of grant and contract awards.
- 2. Meeting statutory requirements for ensuring the safe use of chemicals.** The public must be able to depend on the EPA’s ability to identify the risks of using chemicals and pesticides. Resource constraints, inefficient review processes, statutory deadlines, and expanded requirements for assessments and testing challenge the EPA’s ability to protect human health and the environment from potential chemical and pesticide risks.
- 3. Managing information technology modernization.** The EPA may encounter challenges when modernizing its data systems and platforms, including when updating its numerous legacy systems, implementing cybersecurity measures, automating its processes, and adopting new AI technology. Ensuring continued support for EPA data systems and platforms is critical to preserving the quality of the Agency’s scientific and programmatic data.
- 4. Maintaining mission efficiency and effectiveness during organizational change.** As part of a broader initiative to reduce the size of the federal government while also increasing accountability, the EPA reduced its workforce and initiated a comprehensive restructuring effort. The EPA needs to effectively manage the risks that the restructuring may have on its mission and operations, as well as ensure that its statutory mandates are fulfilled.
- 5. Managing cooperative federalism and state oversight.** The EPA often delegates the primary responsibility of implementing and enforcing federal environmental laws to states. The EPA oversees these delegated responsibilities to ensure that state implementation meets minimum federal standards and that states expend federal dollars appropriately. The EPA needs to manage cooperative federalism principles to ensure that states consistently implement and enforce federal environmental laws.
- 6. Preparing for and responding to natural and manmade disasters.** The EPA has prioritized increasing the speed, efficiency, and effectiveness of the Agency’s response efforts to natural and manmade disasters. Disasters like wildfires, flooding, train derailments, and hurricanes can adversely affect environmental infrastructure and leave behind hazardous materials. The frequency and costs of these events may challenge the Agency’s ability to adequately prepare for and respond to disasters that could impact critical environmental infrastructure and human health.