

Evaluation of the EPA's Review of Track I Community Change Grant Applications

March 4, 2026 | Report No. 26-E-0016



Abbreviations

CCG	Community Change Grants
EPA	U.S. Environmental Protection Agency
NOFO	Notice of Funding Opportunity
OEJECR	Office of Environmental Justice and External Civil Rights
OIG	Office of Inspector General
Pub. L.	Public Law
U.S.C.	United States Code

Key Definition

Notice of Funding Opportunity A NOFO is a federal agency's official announcement of a federal funding opportunity. NOFOs are published on Grants.gov.

Cover Image

A community garden at a nature preserve welcome center in Far Rockaway, New York. The picture shows a rectangular grassy area with a variety of plants and large white landscape rocks in the foreground, with a walking path, a nonresidential building and stairway, cars in a parking lot, a bridge, and additional buildings appearing in succession in the background. (EPA OIG image)

Are you aware of fraud, waste, or abuse in an EPA program?

EPA Inspector General Hotline

1200 Pennsylvania Avenue, NW (2431T)
Washington, D.C. 20460
(888) 546-8740
OIG.Hotline@epa.gov

Learn more about our [OIG Hotline](#).

EPA Office of Inspector General

1200 Pennsylvania Avenue, NW (2410T)
Washington, D.C. 20460
(202) 566-2391
www.epa.gov/oig

Subscribe to our [Email Updates](#).
Follow us on X [@EPAoig](#).
Send us your [Project Suggestions](#).



At a Glance

Evaluation of the EPA's Review of Track I Community Change Grant Applications

Why We Did This Evaluation

To accomplish this objective:

The U.S. Environmental Protection Agency Office of Inspector General conducted this evaluation to determine whether the EPA implemented effective controls during the selection of Track I grant awardees through the Community Change Grants Program within the EPA Office of Environmental Justice and External Civil Rights. We initiated this evaluation in response to an OIG Hotline complaint made in February 2025.

In 2022, the Inflation Reduction Act provided the EPA with \$3 billion for the Environmental and Climate Justice Block Grants Program. In November 2023, the EPA began efforts to distribute almost \$2 billion of those funds through its Community Change Grants Program. Administered by the now defunct Office of Environmental Justice and External Civil Rights, the program was divided into two tracks: Tracks I and II. Our evaluation focused on Track I.

The EPA's application review and selection process for Track I grants yielded 80 awardees that received a total of approximately \$1.5 billion. In May 2025, the EPA issued notices terminating the grants, and in July 2025, the One Big Beautiful Bill Act rescinded the Community Change Grants Program's unobligated funds.

To support these EPA mission-related efforts:

- *Compliance with the law.*
- *Operating efficiently and effectively.*

Address inquiries to our public affairs office at (202) 566-2391 or OIG.PublicAffairs@epa.gov.

[List of OIG reports.](#)

What We Found

The EPA implemented effective controls during its review and selection of Track I Community Change Grants Program applications. The EPA adhered to its *Policy for Competition of Assistance Agreements* and other applicable requirements during the application review process. Additionally, the EPA ensured that Track I grant awardees met the eligibility requirements stated in the Inflation Reduction Act. The EPA tailored the criteria by which the Agency would evaluate applications to the Track I Community Change Grants Program and, during its application review, established review panels that scored applications using only the criteria outlined in the Notice of Funding Opportunity. To select the Track I awardees, the EPA produced and considered a ranked list based on the average of the reviewer scores that each application received. The Agency transparently documented and justified its selections in a series of selection memorandums.

Furthermore, beyond the controls required by Agency policy, the EPA implemented additional effective controls, such as recruiting competent personnel to design and implement the Community Change Grants Program, holding review panel deliberations, and conducting pre-selection briefings for the selection official. These controls provided further assurance that the EPA appropriately selected Track I awardees.

The EPA adhered to its grant application review and selection requirements and designed the Community Change Grants Program in a manner that assured an appropriate selection process for Track I awardees.

We did not identify any issues warranting recommendations. We provided the Agency with a copy of our draft report for review. Because there were no recommendations, the Agency was not required to provide a formal response, and the Agency did not do so.



OFFICE OF INSPECTOR GENERAL
U.S. ENVIRONMENTAL PROTECTION AGENCY

March 4, 2026

MEMORANDUM

SUBJECT: Evaluation of the EPA's Review of Track I Community Change Grant Applications
Report No. 26-E-0016

FROM: Nicole N. Murley, Deputy Inspector General performing the duties
of the Inspector General *Nicole N. Murley*

TO: Melissa Wise, Director, Office of the Chief Grants Officer
Office of Finance and Administration

This is our report on the subject evaluation conducted by the U.S. Environmental Protection Agency Office of Inspector General. The project number for this evaluation was [OSRE-FY25-0061](#). Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

A response to this report is not required because the report contains no recommendations. If your office submits a response, however, it will be posted on the OIG's website, along with our memorandum commenting on the response. The response should be provided as an Adobe PDF file that complies with the requirements of section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that your office does not want released to the public; if the response contains such data, your office should identify the data for redaction or removal along with corresponding justification.

We will post this report to our website at www.epa.gov/oig.

Table of Contents

Purpose	1
Background	1
Environmental and Climate Justice Block Grants Program of the Inflation Reduction Act	1
The EPA’s Grant Application Review and Selection Processes.....	3
Internal Control Systems and Activities.....	6
Responsible Offices	6
Scope and Methodology	6
Results	7
The Community Change Grants Program Adhered to Applicable Grants Application Review and Selection Requirements	8
The EPA Implemented Effective Controls for the Community Change Grants Program’s Review and Selection Process	10
Conclusions	13
Agency Response and OIG Assessment	13

Appendixes

A Review and Selection Process Adherence Checklist	14
B Distribution	15

Purpose

The U.S. Environmental Protection Agency Office of Inspector General [initiated](#) this evaluation to determine whether the EPA implemented effective controls during the selection of Track I grant awardees through the Community Change Grants Program within the EPA Office of Environmental Justice and External Civil Rights. We initiated this evaluation in response to a February 2025 OIG Hotline complaint.

Background

Environmental and Climate Justice Block Grants Program of the Inflation Reduction Act

The Inflation Reduction Act of 2022 amended the Clean Air Act to create the Environmental and Climate Justice Block Grants Program and provided the EPA with \$3 billion to assist disadvantaged communities with environmental and climate justice activities. The EPA, in turn, provided the largest share of these funds through its new Community Change Grants, or CCG, Program, which in November 2023 began efforts to distribute almost \$2 billion to eligible entities for community-driven, collaborative projects to address climate challenges and reduce pollution.¹ Administered by the former EPA Office of Environmental Justice and External Civil Rights, or OEJECR,² the CCG Program was divided into two tracks: Track I grants were intended “to achieve sustained impacts related to climate resilience, pollution reduction, community health, economic prosperity, and community strength,” while Track II grants were intended to facilitate the engagement of disadvantaged communities in governmental processes to advance environmental and climate justice. Our evaluation focused on the Track I CCG Program grants.

The Inflation Reduction Act’s Environmental and Climate Justice Block Grants Program funding, which was codified at 42 U.S.C. § 7438, remained available until September 30, 2026. The period of performance for grants awarded with that funding could not exceed three years. Also, according to the Environmental and Climate Justice Block Grants Program provisions, the EPA needed to ensure that each applicant and proposed project met certain eligibility requirements before awarding the grant. More specifically, the provisions stated that eligible grant activities would benefit disadvantaged communities and include community-led air and other pollution monitoring, prevention, and remediation; climate resiliency and adaptation; and the reduction of indoor toxics and indoor air pollution, among other activities. Entities eligible for funding included any of the following:³

- (A) a partnership between—
 - (i) an Indian tribe, a local government, or an institution of higher education; and

¹ Beginning in May 2025, the EPA issued notices to recipients terminating the CCG Program grants and advised recipients to begin the process to close out the grants. On July 4, 2025, section 60016 of the One Big Beautiful Bill Act, Pub. L. No. 119-21, rescinded unobligated funds for this program. We focused our evaluation on the grant application selection process, not the grant post-award processes.

² The EPA announced in March 2025 that offices related to environmental justice and diversity, equity, and inclusion would be terminated.

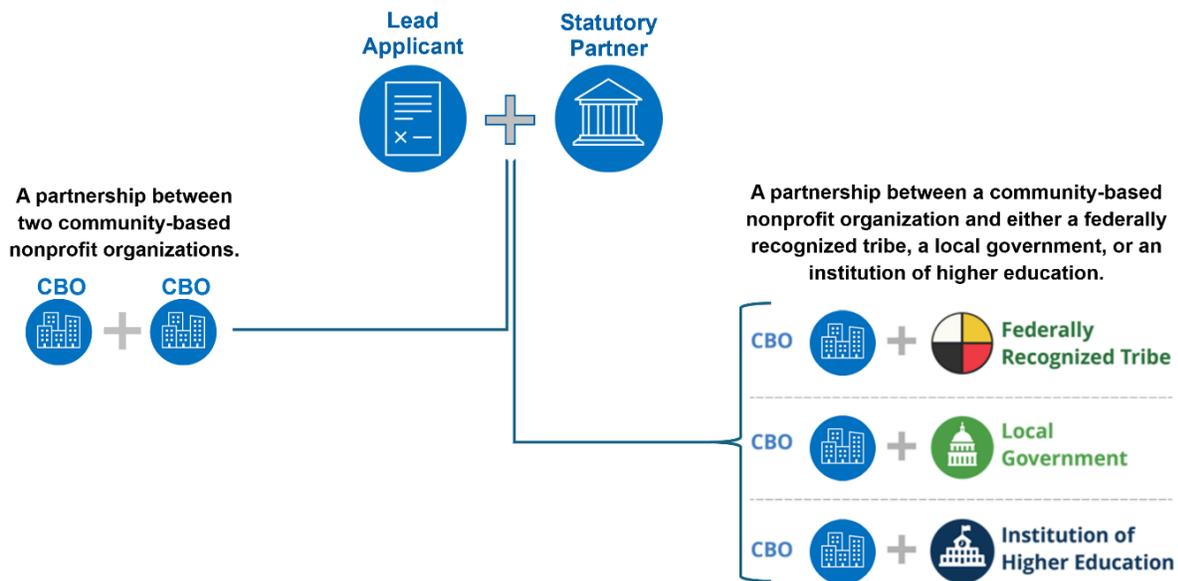
³ 42 U.S.C. § 7438(b)(3).

- (ii) a community-based nonprofit organization;
- (B) a community-based nonprofit organization; or
- (C) a partnership of community-based nonprofit organizations.

The Notice of Funding Opportunity, or NOFO, for the CCG Program limited the eligible applicants even further to a partnership composed of a lead applicant and what is referred to as a “statutory partner,” as shown in Figure 1.

Figure 1: CCG Program applicant and partner eligibility requirements

The lead applicant and statutory partner can either be:



Source: EPA, Community Change Grants Reviewer Training, October 2024. (EPA OIG modification of an EPA image)

Note: “CBO” stands for community-based nonprofit organization.

The EPA issued the NOFO for both tracks of the CCG Program in November 2023.⁴ The NOFO described the threshold eligibility requirements, application submission procedures, and application evaluation criteria. The application period was open for one year until November 21, 2024. During that open period, applicants could submit their applications on a rolling basis for review and evaluation by the EPA. The EPA anticipated awarding CCG Program funds to the selected applicants as cooperative agreements, which involve a higher level of EPA oversight and participation than assistance agreements provided in the form of grants. For simplicity, however, we use the term grant in our report to refer to the cooperative agreements awarded under the CCG Program.

⁴ The EPA subsequently issued four amended versions of the NOFO, all of which, for the purposes of this evaluation, were substantially the same in relevant content except for the removal of an oral presentation component as part of the Track I CCG application review process. We discuss this change in the “Results” section of this report.

Cooperative agreements

A cooperative agreement facilitates more EPA oversight of awardee performance than assistance provided in the form of a grant. For example, under a cooperative agreement, the EPA may monitor the awardee's performance to verify the reported results, approve the qualifications of key personnel, and address awardee compliance with federal requirements. According to the EPA, it negotiates the precise terms and conditions of its involvement with each awardee as part of the cooperative agreement award process.

The EPA's review and selection process for the Track I CCG Program involved five selection rounds and resulted in the selection of 80 awardees.⁵ The Track I awards, which totaled approximately \$1.5 billion, ranged from \$8.9 million to \$21 million.⁶ The EPA paid awardees via a drawdown system. In other words, the EPA regularly reimbursed awardees for actual costs incurred rather than giving them a one-time payment of the full awarded amount.

The EPA's Grant Application Review and Selection Processes

Every year, the EPA awards billions of dollars in grants and cooperative agreements. With some exceptions, if the total funding amount is expected to exceed \$100,000, the EPA requires its program offices to hold an "open competition" for grants, meaning the Agency must allow any potentially eligible applicant to compete for the funds.⁷ Since it expected to award nearly \$2 billion via the CCG Program, the OEJECR was required to hold an open competition for the CCG Program grants.

To establish competition requirements, the EPA uses a series of Agency policies known as EPA orders. These orders provide procedures for managing competitions, and they establish internal controls for evaluating grant applications.⁸ EPA Order 5700.5A1, *Policy for Competition of Assistance Agreements*, outlines the requirements for grant competitions. Known as the *Competition Policy*, this order requires that the grant competition process be fair and impartial and that all applicants be evaluated only on the criteria and subcriteria stated in the NOFO. The *Competition Policy* describes the responsibilities of Agency staff in implementing the order, including the staff in the EPA program office that will administer the grants and the EPA's grants competition advocate. In addition, the *Competition Policy* prescribes procedures for each part of the grant competition, including:

- **The development of NOFO evaluation criteria.** All criteria and subcriteria must be related to the nature of the projects being competed. The EPA must also specify points or weights to distinguish variance in the importance of the criteria and subcriteria. Additionally, the NOFO must explicitly state any "other factors" that the EPA may consider in the application review and selection process.

⁵ The EPA reviewed 401 Track I CCG applications deemed eligible for award across the five selection rounds.

⁶ For the Track II CCG Program, the EPA intended to award about 20 grants, ranging from \$1 million to \$3 million and totaling approximately \$40 million.

⁷ EPA Order 5700.5A1, *Policy for Competition of Assistance Agreements* (2014).

⁸ We define internal controls in the next section.

“Other factors”

The EPA’s *Competition Policy* states that the funding opportunity description must identify any “other factors”—in other words, additional criteria beyond the technical evaluation criteria included in the announcement—that the Agency may consider in the award selection process. These factors could include geographic diversity, project diversity, programmatic priorities, and the funding balance of the overall grant program.

- **The review of grant applications.** The EPA must establish review panels to evaluate applications.⁹ All grant application reviewers on a panel are expected to independently score each application using the NOFO evaluation criteria, and they must document these scores using a scoresheet or similar form provided by the responsible program office. Before applications are reviewed, the EPA must provide reviewers with a copy of the NOFO, a summary of the review and selection process, a copy of threshold eligibility and NOFO evaluation factors, and guidance on scoring grant applications. This information is meant to ensure that all reviewers operate under a common framework and understand how to score applications. During the review process, reviewers must adequately document their evaluation to establish the reasonableness of their scores for each criterion and subcriterion. Reviewers are subject to the *Competition Policy*’s conflict of interest requirements, which do not allow them to have a direct or indirect relationship or other connection with an applicant that they are assigned to review.
- **The selection of awardees.** After reviewers score applications, the EPA selection official, who is typically at least a division director in the responsible program office, makes the final funding decisions. The selection official is also subject to the *Competition Policy*’s conflict of interest requirements. Selections must be based on a list of ranked applications from the review panel scores. The selection official’s decisions must be documented to demonstrate the basis and rationale for the selection. If out-of-rank selections are made, the responsible program office must justify these selections using the “other factors” stated in the NOFO.

Another order relevant to the CCG Program grant application review and selection process is EPA Order 5700.8, *EPA Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Agreements*, which establishes internal controls for determining the programmatic capability of nonprofit organizations applying for EPA grants. The *Non-Profit Capability Policy* requires that the EPA include at least one specific NOFO criterion that assesses a nonprofit organization’s programmatic capability to successfully perform and manage its proposed projects. For example, this programmatic capability criterion could assess the organization’s past success in managing federally funded projects, its past performance in meeting federal reporting requirements, its organizational experience and staff expertise, and its plan to achieve its project objectives. The EPA must give significant weight to this criterion. The *Non-Profit Capability Policy* also requires that the EPA conduct a pre-award administrative capability review for each nonprofit organization receiving over \$200,000. This review assesses the

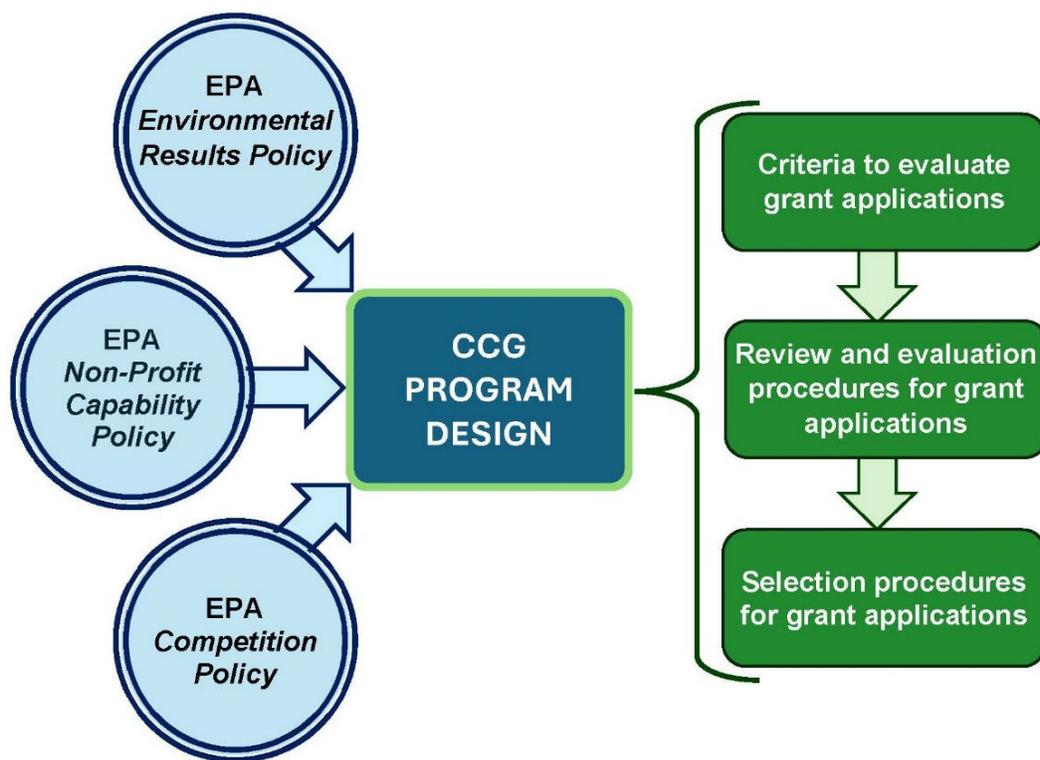
⁹ If only a small number of applications are received, the *Competition Policy* allows for a nonpanel review if the competition is not otherwise complex or does not involve high dollar amounts. This exception is not relevant to the CCG Program.

nonprofit organization’s capability to develop and implement the regulatorily required administrative systems for the financial, management, and reporting aspects of the proposed projects.¹⁰

Finally, EPA Order 5700.7A1, *Environmental Results under EPA Assistance Agreements*, requires the EPA to include an evaluation criterion in the NOFO to assess an applicant’s past performance in reporting on project outputs and outcomes.¹¹ This *Environmental Results Policy* also mandates the NOFO to include a criterion assessing the applicant’s plan for tracking and measuring its progress.

Figure 2 summarizes the EPA orders relevant to the CCG Program grant application review and selection process. The responsible program office maintains all competition-related documentation and records to demonstrate compliance with the competition requirements. The EPA’s grants competition advocate monitors the program office’s compliance with, as well as the overall effectiveness of, the EPA orders.

Figure 2: EPA policies used to design the CCG Program and guide the application review and selection process



Source: OIG analysis of EPA policies relevant to EPA grant competitions. (EPA OIG image)

¹⁰ Because this review occurs post-selection but pre-award, it is outside the scope of our evaluation. According to the EPA’s grants competition advocate, however, nonprofit applicants selected for award under the CCG Program must undergo a pre-award administrative capability review.

¹¹ The *Environmental Results Policy* defines “output” as “an environmental activity, effort, and/or associated work products related to an environmental goal or objective, that will be produced or provided over a period of time or by a specified date.” The policy defines “outcomes” as “the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective.”

Internal Control Systems and Activities

According to the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*, which is commonly referred to as the Green Book, internal control is a "process used by management to help an entity achieve its objectives." The Green Book states that, among other components, an effective system of internal control includes a control environment, which is the "foundation" that "provides the discipline and structure to help an entity achieve its objectives," and control activities, which are actions that "achieve objectives and respond to risks in the internal control system." Per Principle 10 of the Green Book, control activities include "policies, procedures, techniques, and mechanisms" that enforce directives or address related risks. Examples include workforce management, proper documentation of transactions and control, and management approvals.

Among the five principles of a control environment described in the Green Book, the fourth is of particular significance to our evaluation of a newly established program. Principle 4 states that "[m]anagement should demonstrate a commitment to recruit, develop, and retain competent individuals" and should establish "expectations of competence for key roles."

Responsible Offices

The now defunct OEJECR was the program office responsible for administering and implementing the CCG Program, including the program's grant application review and selection process. Twenty-four employees worked on the CCG Program in varying capacities, including 13 EPA staff from offices outside the OEJECR. Staff from regional and other offices, including the EPA Office of General Counsel, assisted the OEJECR with program implementation. Additionally, the EPA's grants competition advocate supported the OEJECR with overseeing program compliance with EPA orders.¹²

According to the OEJECR, the total budget for the CCG Program was approximately \$1.88 billion, with approximately \$1.56 billion awarded as grants. In addition, the OEJECR awarded a total of approximately \$138.5 million to contractors and other federal agencies to support the implementation of its grant programs. This amount included an approximately \$1.25 million interagency agreement with the U.S. Department of Health and Human Services to support the OEJECR with logistics and management of the CCG Program's application review process.

Scope and Methodology

We conducted this evaluation from April 2025 to January 2026 in accordance with the *Quality Standards for Inspection and Evaluation* published in December 2020 by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we perform the evaluation to obtain sufficient and appropriate evidence to support our findings.

¹² While the OEJECR was operational, the EPA's grants competition advocate was part of the Office of Grants and Debarment in the EPA Office of Mission Support. Effective November 16, 2025, the Office of Mission Support and the Office of the Chief Financial Officer merged to create the Office of Finance and Administration.

The scope of our evaluation was informed by an OIG Hotline complaint that we received in February 2025. Specifically, a grant application reviewer raised issues regarding a project that requested over \$10 million in CCG Program funds to build affordable housing units and complete weatherization retrofits for homes in flood-prone areas. The complainant was concerned about the project's proposed costs and whether the project design adequately addressed flood risks. Through our preliminary work, we found no evidence to substantiate those specific concerns; however, the complaint raised valid questions about the consistency of the CCG Program's review and selection process.¹³ As a result, we decided to conduct a broader evaluation of the CCG Program.

To determine whether the EPA implemented effective controls during the selection of Track I CCG Program awardees, we developed a checklist of 45 criteria that applied to the review and selection process from three EPA orders and the Inflation Reduction Act. Using our checklist, which we summarize in Appendix A, we assessed the relevant requirements from application submission to selection decision. We reviewed all versions of the CCG Program's NOFO that the EPA released during the open application period and all five selection memorandums that announced the awardees of the five selection rounds. Additionally, we reviewed guidance and training documents provided to the CCG Program grant application reviewers, as well as internal Agency guidance for EPA program offices leading grant competitions. We also reviewed decision-making materials, including internal presentations, that informed the CCG Program's review and selection process.

We interviewed key personnel involved with the CCG Program grant competition, such as senior OEJECR staff, including the selection official; an EPA contractor; and the EPA's grants competition advocate. We also interviewed five grant application reviewers and one review panel chair who were involved in the application scoring process. We conducted one site visit to a grant awardee to discuss its experience with the application and selection process and to tour the project site.

Finally, to identify any trends or anomalies in the way applications were scored, we summarized data from approximately 1,200 CCG Program grant application scoresheets across the five selection rounds. This analysis included a high-level review of application scores from each selection round and from each CCG Program grant application reviewer.

Results

In compliance with the Inflation Reduction Act and Agency policy, the EPA implemented effective controls during its review and selection of Track I CCG Program applications. The EPA included relevant evaluation criteria in the program's NOFO, followed the required review procedures, and adhered to selection decision-making and documentation requirements. Furthermore, the EPA implemented additional effective controls beyond those required by Agency policy, such as recruiting competent personnel to design and implement the CCG Program, holding review panel deliberations, and

¹³ The scope of our review was limited to the grant application review and selection requirements discussed in this report; any other potentially applicable requirements to the pre-award, award, and post-award grant process were outside the scope of our review.

conducting pre-selection briefings for the selection official, which provided further assurance that the EPA appropriately selected Track I CCG Program awardees.

The Community Change Grants Program Adhered to Applicable Grants Application Review and Selection Requirements

The EPA adhered to the Inflation Reduction Act requirements for the Track I CCG Program grants. To ensure that CCG Program applicants satisfied the Environmental and Climate Justice Block Grants provisions, the EPA completed threshold eligibility reviews, which, among other things, determined whether proposed projects would benefit a disadvantaged community and be in line with the activities described in the Inflation Reduction Act. The threshold eligibility reviews also assessed whether the applicants or their statutory partners were community-based nonprofit organizations and whether the applicants demonstrated their ability to complete the proposed projects in the three-year time frame. Additionally, after an applicant passed the threshold eligibility review, the EPA conducted a merit review that further assessed how the applicant would successfully complete its proposed projects in three years and that required the applicant to link its proposed projects to the eligible activities described in the Inflation Reduction Act.

The EPA also adhered to the relevant policy requirements for the development of the CCG Program's NOFO evaluation criteria. In line with the *Competition Policy*, the EPA tailored the NOFO criteria to the CCG Program. As shown in Figure 3 on the next page, the NOFO described the evaluation criteria and subcriteria that the EPA would use to score the Track I CCG Program applications, and it assigned points to these criteria and subcriteria to distinguish their importance. In the NOFO, the EPA also identified "other factors" for the application selection process. Pursuant to the *Non-Profit Capability Policy* and as shown in Figure 3, part 2.4 of the NOFO included and gave significant weight to a programmatic capability criterion. And finally, in accordance with the *Environmental Results Policy*, the NOFO included two subcriteria, parts 2.1 and 2.5, that evaluated the applicants' plan to track and measure their project outputs and outcomes, as well as the applicants' past performance in reporting on outputs and outcomes.

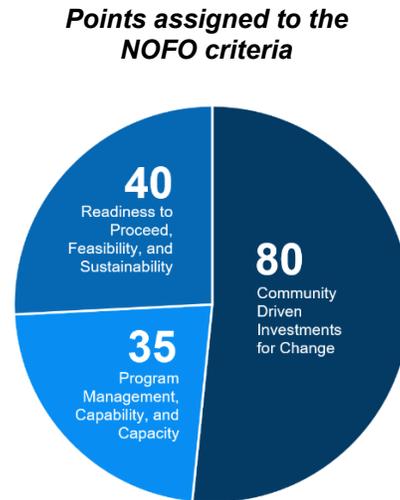
Additionally, the EPA adhered to the *Competition Policy's* requirements for the review of CCG Program grant applications. The EPA established three-person review panels to score each Track I CCG Program application.¹⁴ The grant application reviewers were directed to independently score the applications using a scoresheet provided by the OEJECR that included only the criteria outlined in the NOFO. The EPA provided extensive guidance to reviewers, including an overview of each criterion and subcriterion; a scoring guide that described how to determine scores for a given criterion; and guidelines for writing substantive comments that assessed the value, worth, and quality of information in an application. The reviewers also received guidance and training on conflicts of interest and were required to sign a Conflict of Interest Statement before they began reviewing applications. Furthermore, the EPA stressed the importance of providing substantive comments in scoresheets to justify reviewer scores. Overall, the

¹⁴ We reviewed scoresheets for nearly 400 Track I CCG Program applications. There were nine instances in which an application was scored by two, rather than three, reviewers. The EPA noted this procedural difference in its fifth CCG Program selection memorandum, which was the only round where it occurred.

reviewers whom we interviewed indicated that the EPA provided extensive, thorough guidance for the grant application review process. Also, our in-depth look at 75 grant application scoresheets showed that the reviewers followed the guidelines to provide comments justifying their scores, with just a few exceptions.

Figure 3: NOFO evaluation criteria for the CCG Program’s Track I applications

Section	Possible Points
Part 1. Community Driven Investments for Change	80 total
1.1 Community Overview	10
1.2 Selected Strategies	45
1.3 Community Engagement and Collaborative Governance Plan	15
1.4 Community Strength Plan	10
Part 2. Program Management, Capability, and Capacity	35 total
2.1 Performance Management Plan, Outputs / Outcomes	6
2.2 Project Linkages to the EPA Strategic Plan	4
2.3 CBO Experience and Commitment	5
2.4 Programmatic and Managerial Capability and Resources	15
2.5 Past Performance	5
Part 3. Readiness to Proceed, Feasibility, and Sustainability	40 total
3.1 Readiness Approach	8
3.2 Feasibility	9
3.3 Sustainability	5
3.4 Program Budget Description	8
3.5 Compliance Plan	10
TOTAL	155



Source: EPA NOFO for the CCG Program. (EPA OIG modification of an EPA image)

Note: “CBO” stands for community-based nonprofit organization.

Finally, the EPA adhered to the *Competition Policy* for the selection of Track I CCG Program awardees. For each of the five selection rounds, after the review panel scored applications, the EPA’s grants management software automatically produced a ranked list based on the average of the reviewer scores. The CCG Program selection official, who also signed a Conflict of Interest Statement, reviewed and considered this software-produced ranked list of applications to select the awardees. The selection official then issued a selection memorandum that described the program, the review process, the applications reviewed, and the selections. All five selection memorandums included the full ranked application list and identified the basis and rationale for each selection. The selection memorandums also justified the selection of any out-of-rank application selections made using the NOFO’s “other factors.”

The CCG Program's use of "other factors"

The following are examples of how the EPA used "other factors" to select CCG Program applications out of rank:

- In the fourth selection round, the EPA selected an application based on geographic diversity. No previous awardee benefitted the state referenced in that application, and the application's score was competitive with the scores of previous awardees.
- In the fifth selection round, the EPA selected an application based on program priorities. The application focused on addressing climate challenges and pollution reductions in coal, oil, and gas communities.

The EPA Implemented Effective Controls for the Community Change Grants Program's Review and Selection Process

Consistent with the Green Book, the EPA designed, implemented, and operated an effective system of internal controls that supported its review and selection of Track I CCG Program applications. In addition to the controls required by Agency policies that we discussed in the previous section, the EPA established other effective internal controls, providing reasonable assurance that it appropriately selected awardees for the Track I CCG Program.

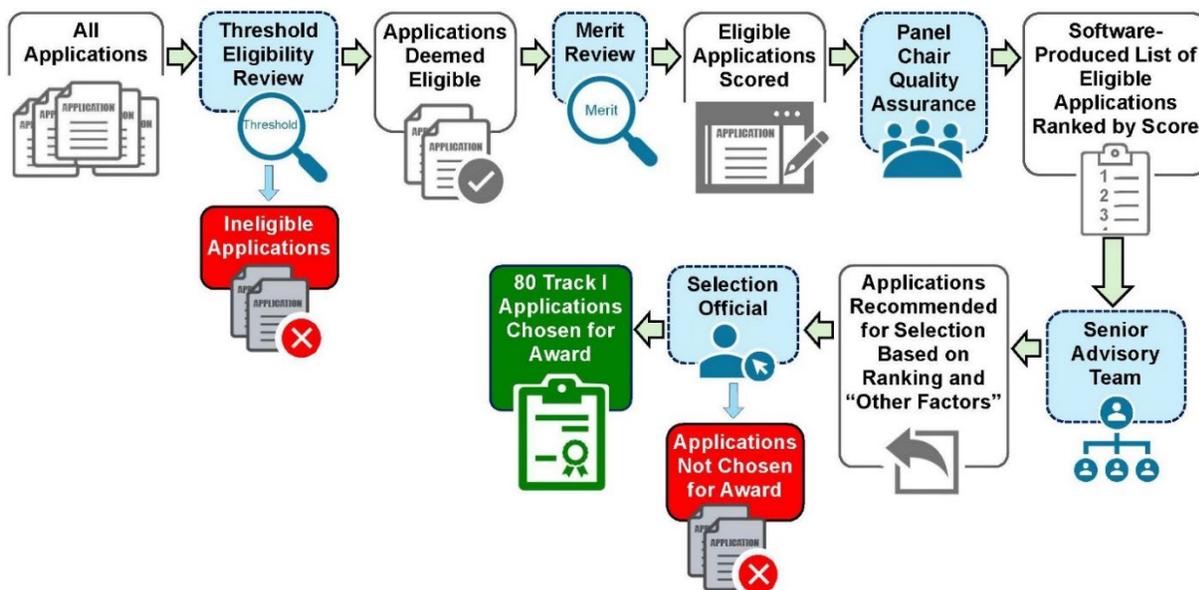
Aligning with the Green Book principle to demonstrate a commitment to competence, the OEJECR recruited, developed, and retained personnel to assist with the design and implementation of the CCG Program, to facilitate the achievement of the CCG Program's objectives, and to ensure adherence to EPA policy requirements. Not only was the CCG Program new, the OEJECR itself was a new office when it was tasked with administering that program. The OEJECR coordinated and recruited staff with prior grant program experience from other EPA offices, including regional offices and the Office of General Counsel. It also recruited one staff member from another EPA office who helped develop the EPA's *Competition Policy*. In addition, the OEJECR involved the EPA's grants competition advocate early on, seeking that individual's input to ensure fairness in the grant competition.

The EPA also designed, implemented, and operated effective control activities specifically for the CCG Program grant review and selection process. The EPA tailored these internal controls to the CCG Program's objective to provide funding for community-driven projects that address environmental and climate challenges in communities facing disproportionate environmental impacts. For example, before developing the NOFO, the EPA engaged with relevant stakeholders, such as the program's target communities, to consider their input on CCG Program implementation. Based on that feedback, the EPA provided 12 months and a rolling application process for the NOFO instead of the typical time frame of two months. The EPA was aware that filling out and submitting applications could be a substantial effort for nonprofits and other eligible organizations, as many of them may not have the experience or resources required to quickly submit a competitive application. For the same reasons, the EPA allowed applicants to reapply if their initial applications were not successful. Furthermore, the very nature of the chosen funding vehicle, cooperative agreements, represented an effective internal control that would last beyond the application period, as the EPA would be substantially involved in monitoring the performance of CCG Program awardees.

Although allowing flexibility for the CCG Program applicants, the rolling application process added a layer of complexity for the EPA. However, the EPA installed additional controls intended to mitigate risk. We identified 167 unique reviewers across the five selection rounds who completed approximately 1,200 application scoresheets. Each review panel had a chair who was instructed to conduct quality assurance on scoresheets prior to finalizing application scores. This included ensuring that reviewers wrote substantive comments to justify scores for each criterion and identifying whether review panel scores diverged substantially. The panel chairs were told to convene reviewers for panel deliberations if there was substantial divergence between their application scores. If desired, reviewers could change their scores based on these deliberations, but they were required to reflect all score changes as “post-discussion scores” and to justify the changes. Finally, since the CCG Program involved multiple selection rounds, the EPA responded to risks that were identified in the previous round before the next round began. For example, if a reviewer was not meeting the performance standards or timelines provided to them, the OEJECR did not invite that reviewer to participate in future selection rounds.

The EPA also established a senior advisory team to provide pre-selection briefing presentations to the selection official. The senior advisory team included several EPA staff from different offices with experience in grant programs. After reviewing the software-produced ranked list of applications and the NOFO’s “other factors,” this team developed selection recommendations for the selection official. The team also briefed the selection official on the total applications received for the program and previous selection round decisions to ensure that the selection official was well-informed. Figure 4 illustrates the internal controls that the EPA implemented in the CCG Program selection and review process.

Figure 4: Flow of applications through the review and selection process



Source: OIG analysis of CCG Program application review and selection process. (EPA OIG image)

Notes: A step shaded in light blue with a broken border indicates a step in which an individual or group reviewed applications. With the exception of the first step, a nonshaded step with a solid border indicates a result of the preceding review step. A step shaded in red overlaid with a corresponding “X” in a red circle indicates an end point for applications not selected for award. The final step, which is shaded in green, indicates the 80 Track I grant applications selected for award.

Finally, the EPA ensured that the CCG Program was well-documented and that management decisions regarding the grant application review and selection process were justified. In addition to the five selection memorandums that provided the rationale and justification for selection decisions, the EPA documented other review process decisions. For example, the EPA originally required those CCG Program grant applicants receiving above a certain score to give an oral presentation further detailing their proposed projects. To comply with the *Competition Policy*, the EPA imposed additional constraints on these oral presentations that, according to the Agency, limited their effectiveness. After determining that these presentations were not meaningfully impacting the final selections and were a significant resource burden on both the applicants and the Agency, the EPA issued a decision memorandum in July 2024 that removed the oral presentation component. This memorandum described the EPA's decision and how the EPA would ensure that the change would not negatively impact the fairness of the grant competition. The EPA removed the oral presentation component between review cycles, ensuring that no applicants who completed oral presentations competed against applicants who did not. The application review process did not significantly change after the oral presentations were removed; applicants were evaluated and scored on the same written application criteria stated in the NOFO. One awardee that we visited shared its experience with the CCG Program's application submission, review, and selection process, which we describe in the case study below.

Case Study: RISE

The Rockaway Initiative for Sustainability and Equity, or RISE, is a nonprofit organization based in Far Rockaway, New York, a community of 54,000 residents located between the Atlantic Ocean and Jamaica Bay in Queens. According to RISE, Far Rockaway is one of the most geographically isolated regions of New York City. This community qualified as a disadvantaged community under the CCG Program NOFO. According to the application, the Far Rockaway community faces many weather-related environmental challenges, such as severe storm surges, flooding, and coastal erosion. In 2012, Superstorm Sandy's storm surge and subsequent flooding heavily damaged the community because of a lack of effective coastal sand dunes, the natural barrier against this type of storm surge.

The EPA awarded RISE a CCG Program grant on January 13, 2025. Among other things, RISE's CCG Program projects included dune restoration and natural disaster preparation, safe management and disposal of waste, and a native plant nursery. Part of the project involved removing 4 tons of waste and marine debris from a three-mile section of beaches and dunes, as well as removing invasive species and adding native dune plants to protect against future storm surges and flooding. The project also involved reducing trash, marine debris, and pollution buildup to maintain the restored dunes. RISE's work would also establish a local source of native plant species to reduce the cost of sourcing the plants from outside of the local area. One intent of the aforementioned work was to create local jobs. RISE collaborated with its statutory partner, a New York City government department, to manage a robust multiyear project and oversee the CCG Program funds.

We visited RISE in July 2025 to learn about its experiences with the CCG Program grant application process. We chose RISE because it was the only applicant to reapply, and be selected based on that reapplication, for a Track I CCG Program grant and because it was required to give an oral

presentation. RISE described a rigorous application process and said it was happy to reapply when its initial application was not approved. RISE also reported that the EPA offered to provide a debriefing after it was not selected.

RISE's experience also suggests the value of controls that were outside the scope of our evaluation. After being selected for CCG Program funds, the EPA initiated an administrative capability review of RISE, as required by EPA Order 5700.8. This review determines the capability of an applicant to develop and implement administrative systems, including systems related to financial and property management, procurement standards, recordkeeping, and submission of reports, to safeguard EPA funds. It represents yet another control to assess the capability of nonprofit organizations selected for award to carry out their proposed projects effectively.



From left to right: Example of existing section of coastal dunes restored by RISE members that acts as a barrier between the community and the Atlantic Ocean; map showing the location of Far Rockaway, New York City, in between Jamaica Bay and the Atlantic Ocean; and the RISE native plant nursery that was started with CCG Program funds. (EPA OIG images)

Conclusions

The EPA implemented effective controls for the review and selection of Track I CCG Program applications. The EPA included the Inflation Reduction Act requirements and tailored evaluation criteria for the CCG Program to help ensure that the goals and objectives of the CCG Program would be met. The EPA designed the CCG Program in a manner that considered the needs of community-based applicants and resulted in an appropriate selection process for Track I awardees. We did not identify issues warranting recommendations.

Agency Response and OIG Assessment

We provided the Agency with a copy of our draft report for review. Because there were no recommendations, the Agency was not required to provide a formal response, and the Agency did not do so. The Agency provided technical comments, which we incorporated into our report as appropriate.

Review and Selection Process Adherence Checklist

We developed a checklist to determine the EPA's adherence to the Inflation Reduction Act; EPA Order 5700.5A1, the *Competition Policy*; EPA Order 5700.8, the *Non-Profit Capability Policy*; and EPA Order 5700.7A1, the *Environmental Results Policy*, for its CCG Program grant application review and selection process. The below table summarizes the topics that we assessed, the supporting criteria, and our determination of the EPA's adherence to those criteria.

Review and selection topic	Criteria	EPA adherence
Grant application reviewer preparation and knowledge.	EPA Order 5700.5A1, Section 9 EPA Order 5700.8, Section 19	<input checked="" type="checkbox"/>
Grant application reviewer and selection official conflict of interest requirements.*	EPA Order 5700.5A1, Sections 9 and 10	<input checked="" type="checkbox"/>
Inflation Reduction Act Environmental and Climate Justice Block Grants eligibility requirements.	42 U.S.C. § 7438	<input checked="" type="checkbox"/>
Requirements that the NOFO includes application review information.	EPA Order 5700.5A1, Section 8	<input checked="" type="checkbox"/>
Requirements that the NOFO contains information on and criteria for assessing programmatic capability.	EPA Order 5700.8, Section 9	<input checked="" type="checkbox"/>
Requirements that the NOFO contains criteria for assessing environmental results.	EPA Order 5700.7A1, Section 6	<input checked="" type="checkbox"/>
Application review and selection process requirements.	EPA Order 5700.5A1, Section 9	<input checked="" type="checkbox"/>
Requirements for documenting application evaluations.†	EPA Order 5700.5A1, Section 9	<input checked="" type="checkbox"/>
Selection decision-making requirements.	EPA Order 5700.5A1, Sections 9 and 11	<input checked="" type="checkbox"/>
Selection documentation requirements.	EPA Order 5700.5A1, Sections 9 and 15	<input checked="" type="checkbox"/>

Source: OIG analysis of CCG Program application review and selection process and applicable criteria. (EPA OIG table)

* We noted that two members of the senior advisory team did not have signed Conflict of Interest Statements. The EPA's grants competition advocate told us that, while not required, it would be a best practice for each of them to sign one. These two members have each since retroactively signed a Conflict of Interest Statement.

† In seven of the 75 scoresheets, the reviewers either did not provide or provided limited justification for their scores. However, other controls mitigated this issue, including the use of three reviewers per application, panel deliberations, and a "do not use" list for future application reviews.

Distribution

The Administrator
Deputy Administrator
Associate Deputy Administrator
Assistant Deputy Administrator
Chief of Staff, Office of the Administrator
Deputy Chief of Staff for Management, Office of the Administrator
Agency Follow-Up Official (the CFO)
Chief Administrative Officer, Office of Finance and Administration
Principal Deputy Chief Administrative Officer and Chief Acquisition Officer, Office of Finance
and Administration
Agency Follow-Up Coordinator
General Counsel
Associate Administrator for Congressional and Intergovernmental Relations
Associate Administrator for External Affairs
Deputy Chief Financial Officer and Deputy Chief Administrative Officer, Office of Finance
and Administration
Director, Office of the Chief Grants Officer, Office of Finance and Administration
Deputy Director, Office of the Chief Grants Officer, Office of Finance and Administration
Director, Continuous Improvement Division, Office of Finance and Administration
OIG Liaison, Office of Policy, Office of the Administrator
GAO Liaison, Office of Policy, Office of the Administrator
Audit Follow-Up Coordinator, Office of the Administrator
Audit Follow-Up Coordinators, Office of Financial Operations & Management, Office of Finance
and Administration



Whistleblower Protection

U.S. Environmental Protection Agency

The whistleblower protection coordinator's role is to educate Agency employees about prohibitions against retaliation for protected disclosures and the rights and remedies against retaliation. For more information, please visit our [website](#).

Contact us:



Congressional & Media Inquiries: OIG.PublicAffairs@epa.gov



EPA OIG Hotline: OIG.Hotline@epa.gov



Web: epa.gov/oig

Follow us:



X: [@epaoig](https://twitter.com/epaoig)



LinkedIn: linkedin.com/company/epa-oig



YouTube: youtube.com/epaoig



Instagram: [@epa.ig.on.ig](https://instagram.com/epa.ig.on.ig)



www.epa.gov/oig