

National Oceanic and Atmospheric Administration (NOAA) Budget and Funding: Overview and Issues for Congress

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National Oceanic and Atmospheric Administration (NOAA) Budget and Funding: Overview and Issues for Congress

The National Oceanic and Atmospheric Administration (NOAA), an agency within the Department of Commerce (DOC), is the principal federal agency tasked with understanding and predicting changes in climate, weather, oceans, and coasts; sharing that knowledge and information with others; and conserving and managing coastal and marine ecosystems and resources.

Congress has provided and/or authorized both discretionary and mandatory funding to NOAA; for example, in FY2024, NOAA's discretionary and mandatory funding totaled \$7.1 billion. Congress provides annual discretionary funding for NOAA through Commerce, Justice, Science, and Related Agencies appropriations laws. Components of the agency's annual budget request, and the amounts Congress provides to NOAA through annual appropriations laws, have included regular appropriations, transfers from other accounts, and deobligations of prior year obligations. Congress typically refers to the total of these three components as the agency's *direct obligations* or *funding levels*. Appropriations generally occupy the largest portion of NOAA's funding levels, with transfers and deobligations comprising smaller portions of the total. *Mandatory funding* (spending controlled by laws other than appropriations acts) is generally a small percentage of total NOAA funding. It is composed of transfers from other federal agencies, settlements, premiums, fees, fines, penalties, forfeiture proceeds, and congressional appropriations.

Congress and NOAA have created multiple discretionary and mandatory accounts. The largest discretionary accounts are (1) Operations, Research, and Facilities (ORF) and (2) Procurement, Acquisition, and Construction (PAC). In FY2024, Congress provided nearly \$6.8 billion in total discretionary funding, which included over \$6.7 billion for the ORF and PAC discretionary accounts (99% of the total). NOAA administers six other discretionary accounts. In FY2024, total mandatory funding accounted for \$265.1 million of the total, which NOAA administered through 16 mandatory accounts (although not all 16 accounts received funding in FY2024).

Congress also has provided NOAA with periodic additional funding. The total amount of additional funding provided in two acts—P.L. 117-58 (the Infrastructure Investment and Jobs Act, or IIJA) and P.L. 117-169 (known as the Inflation Reduction Act of 2022, or IRA)—exceeds the total additional amount provided to NOAA, outside of annual appropriations acts, since 2015. Congress directed NOAA to disburse most of the IIJA and IRA funding to nonfederal entities through direct payments, grants, and *cooperative agreements* (e.g., agreements in which NOAA has “substantial involvement” in a project with a nonfederal entity).

Congress may consider a range of potential issues related to NOAA's annual and additional funding. These issues are discussed under two broad categories: (1) authorizations of appropriations and funding-level issues and (2) program administration issues. Funding-related issues include a lack of current or updated authorizations of appropriations across programs and fiscal years and changes in funding levels due, in part, to additional funding. Some Members of Congress have expressed concern with appropriating funding to NOAA activities and programs with authorizations of appropriations that have expired or are expiring in the current fiscal year. Others have asserted that NOAA's annual funding levels should increase, decrease, or stay the same to account for additional funding and issues within and outside of the agency. NOAA and nonfederal entities may face multiple challenges in administering programs and projects. These challenges could include the ability to efficiently (1) manage accounts with different administrative activities and statutory requirements, (2) conduct oversight of and monitor fund disbursement, and (3) address program and project administration capacities at the federal and nonfederal recipient levels. Congress may consider whether to address these challenges through multiple means, including directives in law and/or appropriations report language, and oversight mechanisms (e.g., holding hearings and requesting audits and investigations).

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This report describes NOAA's budget structure, including the agency's major and minor accounts, then summarizes annual and additional funding trends since FY2015.² Finally, the report identifies potential issues for congressional consideration, including concerns regarding NOAA's authorizations of appropriations and funding levels and the agency's administration of program funding, oversight and monitoring, and federal and nonfederal capacity to administer programs and projects.

Accounts and Funding

NOAA's responsibilities (or *functions*) are divided among six subagencies, or *line offices*: (1) National Environmental Satellite, Data, and Information Service (NESDIS); (2) National Marine Fisheries Service (NMFS); (3) National Ocean Service (NOS); (4) National Weather Service (NWS); (5) Office of Oceanic and Atmospheric Research (OAR); and (6) Office of Marine and Aviation Operations (OMAO). The line offices are supported by cross-cutting administrative functions related to education, planning, information technology, human resources, and infrastructure, collectively known as Mission Support.³ The sections below describe NOAA's funding account structure, including multiple discretionary and mandatory accounts that support line office activities, as well as funding levels for these accounts in recent years.

Accounts

Through authorization and appropriations laws, Congress has directed NOAA to establish multiple funding accounts to support agency activities. As a result, NOAA administers both discretionary and mandatory funding accounts. *Discretionary spending* results from budget authority provided in appropriations acts. *Mandatory spending* consists of outlays for certain federal benefit programs and other payments to nonfederal entities. Mandatory spending is generally governed by statutory criteria and, in most cases, is not constrained by the annual appropriations process.⁴

Congress provides discretionary funding to NOAA primarily through two accounts: (1) Operations, Research, and Facilities (ORF) and (2) Procurement, Acquisition, and Construction (PAC) (see the text box "Activities Funded Through the National Oceanic and Atmospheric Administration's (NOAA's) Operations, Research, and Facilities and Procurement, Acquisition, and Construction Accounts"). For example, in FY2024, Congress provided nearly \$6.8 billion in

¹ National Oceanic and Atmospheric Administration (NOAA), "About Our Agency," <https://www.noaa.gov/aboutour-agency>.

² For more about NOAA's organizational structure and authorities, see CRS Report R47636, *National Oceanic and Atmospheric Administration (NOAA): Overview and Issues for Congress*, by Eva Lipiec.

³ Ibid.

⁴ Congressional Budget Office (CBO), "Common Budgetary Terms Explained," December 2021, <https://www.cbo.gov/system/files/2021-12/57420-Budgetary-Terms.pdf>.

total discretionary funding levels through the appropriations process, which included over \$6.7 billion for ORF and PAC discretionary accounts (99% of the total).⁵

Activities Funded Through the National Oceanic and Atmospheric Administration's (NOAA's) Operations, Research, and Facilities and Procurement, Acquisition, and Construction Accounts

Congress has identified certain activities that fall within the scope of NOAA's Operations, Research, and Facilities (ORF) and Procurement, Acquisition, and Construction (PAC) accounts in annual funding legislation. For example, in the Commerce, Justice, Science, and Related Agencies (CJS) Appropriations Act, 2024 (P.L. 118-42, Division C), Congress stated that funding for ORF was to be used

for necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration (NOAA), including maintenance, operation, and hire of aircraft and vessels; pilot programs for State-led fisheries management, notwithstanding any other provision of law; grants, contracts, or other payments to nonprofit organizations for the purposes of conducting activities pursuant to cooperative agreements; and relocation of facilities.

Congress further provided "that fees and donations received by the National Ocean Service for the management of national marine sanctuaries may be retained and used for the salaries and expenses associated with those activities, notwithstanding section 3302 of title 31, United States Code."

The explanatory statement accompanying the FY2024 CJS Appropriations Act stated ORF's purposes more simply; it declared the account was for "NOAA's coastal, fisheries, marine, weather, satellite, and other programs" and provided additional directives for certain activities.

Likewise, Congress stated in the FY2024 CJS Appropriations Act that funding for PAC was to be used "for procurement, acquisition and construction of capital assets, including alteration and modification costs, of the National Oceanic and Atmospheric Administration."

The explanatory statement did not provide a simplified summary of the funded activities but did provide additional directives for certain activities.

Sources: P.L. 118-42, Division C; and joint explanatory statement, Division C, *Congressional Record*, vol. 170, no. 39 (March 5, 2024), p. S1400.

In addition to funding the PAC and ORF accounts, Congress has provided annual funding to several smaller discretionary accounts focused on specific activities (**Table 1**). In FY2024, the six non-ORF and non-PAC discretionary accounts focus on fisheries, marine mammals, and health insurance for the NOAA Commissioned Officers Corps.⁶ Non-ORF and non-PAC discretionary accounts represent a relatively small portion of NOAA's total funding; for example, in FY2024, Congress provided \$6.8 billion in total discretionary funding levels, which included \$67.9 million for non-ORF or non-PAC discretionary accounts (1% of the total).⁷

Congress also has authorized NOAA to administer various mandatory topic-specific accounts. Mandatory funding generally forms a small percentage of total NOAA funding. For example, in FY2024, NOAA had \$6.8 billion in total discretionary funding levels and \$265.1 million in mandatory funding levels.⁸ Mandatory funding composed nearly 4% of the FY2024 total of \$7.1 billion in discretionary and mandatory funding levels. In FY2024, NOAA administered 16 mandatory accounts (**Table 2**);⁹ not all 16 accounts received funding in FY2024.

⁵ CRS correspondence with NOAA Budget Formulation and Communication Division, July 18, 2024.

⁶ Department of Commerce (DOC), *The Department of Commerce Budget in Brief, Fiscal Year 2025*, April 2024, p. 86, <https://www.commerce.gov/sites/default/files/2024-04/FY2025-Budget-in-Brief.pdf> (hereinafter DOC, *Budget in Brief FY2025*).

⁷ CRS correspondence with NOAA Budget Formulation and Communication Division, July 18, 2024.

⁸ Ibid.

⁹ DOC, *Budget in Brief FY2025*, p. 86.

Table I. NOAA Small Discretionary Accounts

(accounts other than ORF and PAC, listed in alphabetical order, by NOAA line office)

Account	Statute	Purposes	How the Account Is Funded (e.g., FY2024 Funding Level)
National Marine Fisheries Service			
Fisheries Disaster Assistance Fund	16 U.S.C. §1861a	Provides for fishery disaster assistance for eligible stakeholders if the Secretary of Commerce determines a fishery disaster has occurred. Account fund uses include direct assistance to affected fishing communities, infrastructure rebuilding, habitat restoration, research, state-run vessel and permit buyback programs, and job retraining	Funds are congressionally appropriated (\$0.3 million for administration in annual appropriations)
Fishermen's Contingency Fund	43 U.S.C. §§1841 et seq.	Compensates U.S. commercial fishers for damage or loss of fishing gear and vessels, as well as the resulting economic loss caused by obstructions to access related to oil and gas exploration, development, and production in the OCS	Funds are derived solely from fees collected on an annual basis by the Secretary of the Interior from the holders of leases, exploration permits, easements, or rights-of-way in areas of the OCS; disbursements can be made only as authorized in appropriations acts (\$0.4 million)
Marine Mammal Unusual Mortality Event Fund	16 U.S.C. §1421d	Compensates the volunteer Marine Mammal Stranding Network for expenses incurred during a declared unusual mortality event	Funds are congressionally appropriated or received by the United States in the form of gifts, devises, and bequests (\$0)
Pacific Coastal Salmon Recovery Fund	16 U.S.C. §3645(d)(2)	Provides competitive grants to states and tribes of the Alaskan and Pacific Coast regions to implement projects that restore and protect certain salmonid populations and their habitats	Funds are congressionally appropriated (\$65.0 million)
Promote and Develop Fishery Products and Research Pertaining to American Fisheries Account (Promote and Develop Fisheries Account)	15 U.S.C. §713c-3	Supports fisheries data collection, data management, stock assessment, and research	Funds are transferred from USDA, which, under statute, must transfer 30% of duties on fishery products to the Secretary of Commerce (e.g., a total of \$376.5 million from USDA in FY2024); \$369.5 million amount received from USDA was transferred to the ORF account, per congressional direction

Account	Statute	Purposes	How the Account Is Funded (e.g., FY2024 Funding Level)
Office of Marine and Aviation Operations			
Medicare-Eligible Retiree Healthcare Fund (also known as the Department of Defense Medicare-Eligible Retiree Health Care Fund)	10 U.S.C. §§1111 et seq.	Covers the cost of retirement health care benefits accrued by active-duty officers serving in the NOAA Commissioned Officer Corps	Receives permanent, indefinite congressional appropriations (\$2.2 million)

Sources: Department of Commerce, *The Department of Commerce Budget in Brief, Fiscal Year 2025*, April 2024, p. 86, <https://www.commerce.gov/sites/default/files/2024-04/FY2025-Budget-in-Brief.pdf>; P.L. 117-328; Explanatory Statement Submitted by Senator Patrick Leahy, Chair of the Senate Committee on Appropriations, Regarding H.R. 2617, Consolidated Appropriations Act, 2023, *Congressional Record*, vol. 168, part 1 (December 20, 2022), pp. S7819-S8551; and CRS correspondence with NOAA Budget Formulation and Communication Division, March 20, 2023, and July 18, 2024.

Notes: FY = fiscal year; NOAA = National Oceanic and Atmospheric Administration; OCS = outer continental shelf; ORF = Operations, Research, and Facilities; PAC = Procurement, Acquisition, and Construction; USDA = U.S. Department of Agriculture.

Table 2. NOAA Mandatory Accounts
(listed in alphabetical order, by NOAA line office)

Account	Statute	Purposes	How the Account Is Funded (e.g., FY2024 Funding Level)
Mission Support			
Spectrum Efficient National Surveillance Radar (SENSR), part of the Spectrum Relocation Fund	47 U.S.C. §921 note 47 U.S.C. §928	Supports the SENSR Program, led by the Federal Aviation Administration with NOAA participation	Receives funds from the Department of the Treasury's Spectrum Relocation Fund (the SENSR account last received funds in FY2019); when additional funds are needed, a request must be approved by a technical panel and provided to Congress for review before the technical panel can release additional funding
Spectrum Pipeline, part of the Spectrum Relocation Fund	47 U.S.C. §921 note 47 U.S.C. §928	Supports the Spectrum Pipeline Reallocation Engineering Study	Receives funds from the Spectrum Relocation Fund (the Spectrum Pipeline account last received funds in FY2018); when additional funds are needed, a request must be approved by a technical panel and provided to Congress for review before the technical panel can release additional funding

Account	Statute	Purposes	How the Account Is Funded (e.g., FY2024 Funding Level)
National Marine Fisheries Service			
Environmental Improvement and Restoration Fund	43 U.S.C. §1474d	Provides grants for research activities on or relating to fisheries or marine ecosystems in the north Pacific Ocean, Bering Sea, and Arctic Ocean	One-half of amounts awarded by the Supreme Court to the United States in the case of <i>U.S. v. State of Alaska</i> were deposited into the account; each year the Department of the Interior transfers 20% of interest earned and collected in the account in the previous fiscal year to the Secretary of Commerce (\$8.5 million)
Federal Ship Financing Fund	46 U.S.C. §53717 and note	Records all cash flows to and from all pre-1992 loan guarantee commitments executed as part of the Federal Ship Financing Loan Guarantee Program (also known as the Federal Ship Financing Program); loans and loan guarantees executed before the Federal Credit Reform Act of 1990 (P.L. 101-508, §13201) must be contained in a separate account. Remains open because it contains a few defaulted loans on which recovery still may be possible	Receives outstanding premiums and fees of the loan guarantee portfolio that existed prior to FY1992 (no new lending activity has occurred under the Federal Ship Financing Fund since FY2019)
Fisheries Enforcement Asset Forfeiture Fund	16 U.S.C. §1861(e)(1) and §1861 note	Covers the costs of certain enforcement-related expenses for violations of fishery conservation and management and other marine resources laws enforced by the Secretary of Commerce	Receives fines, penalties, and forfeiture proceeds for violations of fishery conservation and management and other marine resource laws enforced by the Secretary of Commerce but excludes enforcement related to marine sanctuaries (\$2.3 million)
Fisheries Finance Program Account	46 U.S.C. §§53701 et seq. 16 U.S.C. §1853a	Provides loans to U.S. citizens seeking to improve their commercial fisheries and vessels. Types of activities for financing include the reconstruction, reconditioning, and, in some cases, purchase of fishing vessels; shoreside processing, aquaculture, and mariculture facilities; and the purchase of individual fishing quota; loans cannot contribute to or be construed to contribute to an increase in existing fish harvesting	Originally congressionally appropriated; Congress determines the annual amounts of obligations of direct loans in appropriations law (\$0.20 million) ^a
Foreign Fishing Observer Fund	16 U.S.C. §1821(h)(5) 16 U.S.C. §1827(e)	Covers administrative costs incurred by placing observers aboard foreign fishing vessels within the U.S. EEZ ^b	Receives fees collected from owners and operators of foreign vessels fishing in the U.S. EEZ; funds can be disbursed as provided in appropriations law (\$0)

Account	Statute	Purposes	How the Account Is Funded (e.g., FY2024 Funding Level)
Limited Access System Administration Fund	16 U.S.C. §1854(d)(2) 16 U.S.C. §1855(h)(5)	Supports the administration of a central registry system for limited access system permits. Also supports the administration and implementation of fishery conservation and management laws in the fishery in which the fees were collected ^c	Receives fees to recover the actual costs directly related to the management, data collection, and enforcement of any limited access privilege program and certain community development quota programs; fees cannot exceed 3% of the ex-vessel value of fish harvested under any such program (\$14.1 million) ^d
North Pacific Fishery Observer Fund	16 U.S.C. §1862(d)	Supports observers stationed on certain vessels and at processors in the groundfish and halibut fisheries off Alaska that are within the North Pacific Groundfish Observer Program	Receives fees (currently set at 1.25% in regulations) on standard ex-vessel prices of the landed catch weight of groundfish and halibut from all vessels in the partial coverage category (\$4.7 million)
Promote and Develop Fishery Products and Research Pertaining to American Fisheries Account (also known as the Promote and Develop Fisheries Account) ^e	15 U.S.C. §713c-3	Mandatory portion of the account supports the Saltonstall-Kennedy Program's grants for projects that address promotion, development, marketing, science, or technology that promotes sustainable U.S. seafood production and harvesting	Funds are transferred from USDA, which, under statute, must transfer 30% of duties on marine products to the Secretary of Commerce; a portion of the transferred funds provides funding to this account (\$7.0 million)
Seafood Inspection Program Trust Fund	7 U.S.C. §1622(h)	Covers expenses related to inspection, auditing, and certification services of the program	Receives fees assessed to users of the program to cover the costs of services provided (\$21.9 million)
Western Pacific Sustainable Fisheries Fund	16 U.S.C. §1824(e)(7)	Supports the Western Pacific Regional Fishery Management Council's activities related to conservation and management objectives in the Pacific Insular Areas and Hawaii; ^f funds travel expenses for federal representatives to attend negotiations of Pacific Insular Area fishery agreements ^g	Receives payments received by the Secretary of Commerce under a Pacific Insular Area fishery agreement or in support of conservation and management objectives under a marine conservation plan for any Pacific Insular Area other than American Samoa, Guam, or the Northern Mariana Islands (\$0.75 million) ^h
National Ocean Service			
Damage Assessment and Restoration Revolving Fund	33 U.S.C. §2706 note 33 U.S.C. §2712	Facilitates and sustains (1) natural resource damage assessment while the Departments of Commerce and Justice seek full reimbursement from potentially responsible parties and (2) restoration, replacement, or acquisition of the equivalent of injured or lost natural resources for which NOAA is a trustee	Funds are recovered through a settlement or an amount awarded by a court for restoration of injured natural resources (\$166.5 million)

Account	Statute	Purposes	How the Account Is Funded (e.g., FY2024 Funding Level)
Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Fund	33 U.S.C. §1321 note	Provides funding for the NOAA Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology Program (also known as the NOAA RESTORE ACT Science Program), which, under statute, aims to support the long-term sustainability of the Gulf of Mexico ecosystem; fish stocks; habitat; and recreational, commercial, and charter fishing industries	Receives 2.5% of the Gulf Coast Restoration Trust Fund, which is funded by administrative and civil penalties paid by responsible parties in connection with the explosion on and sinking of the mobile offshore drilling unit Deepwater Horizon (\$10.4 million)
Sanctuaries Enforcement Asset Forfeiture Fund	16 U.S.C. §1861 note	Supports resource protection, which may include all aspects of law enforcement; community-oriented policing programs; and other measures, such as the installation of mooring buoys or the restoration of injured resources	Receives fines, penalties, and forfeitures proceeds of property for violations of marine sanctuary laws (\$1.3 million)
Office of Marine and Aviation Operations (OMAO)			
NOAA Corps Commissioned Officers Retirement (also known as the NOAA Corps Retirement Pay)	33 U.S.C. §§3044-3046	NOAA's contribution to a retirement fund for NOAA Corps commissioned officers; NOAA transfers retirement funds to the U.S. Coast Guard, which handles the payment function for retirees and annuitants	As this is an appropriated mandatory account, funds are congressionally appropriated (\$35.0 million)

Sources: Department of Commerce, *The Department of Commerce Budget in Brief, Fiscal Year 2025*, April 2024, p. 86, <https://www.commerce.gov/sites/default/files/2024-04/FY2025-Budget-in-Brief.pdf>; P.L. 117-328; and CRS correspondence with NOAA Budget Formulation and Communication Division, March 20, 2023, July 18, 2024, and August 1, 2024.

Notes: EEZ = exclusive economic zone; FY = fiscal year; NOAA = National Oceanic and Atmospheric Administration; USDA = U.S. Department of Agriculture.

- The National Marine Fisheries Service is authorized to provide other types of loans through this program, such as Fishing Capacity Reduction Loans, although it has not done so in recent years. These loans typically require a discretionary appropriation and would be reflected in a discretionary account.
- The EEZ was defined in Presidential Proclamation 5030, dated March 10, 1983, as the zone “contiguous to the territorial sea” that “extends to a distance 200 nautical miles from the baseline from which the breadth of the territorial sea is measured” (codified at 16 U.S.C. §1453 note).
- Limited access system* is not defined in statute. Under 16 U.S.C. §1801 note, a *limited access privilege program* is defined as “a program that meets the requirements of section 303A of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1853a).” 16 U.S.C. §1853a describes limited access privilege programs. 16 U.S.C. §1802(26) defines *limited access program* as “(A) means a Federal permit, issued as part of a limited access system under section 1853a of this title to harvest a quantity of fish expressed by a unit or units representing a portion of the total allowable catch of the fishery that may be received or held for exclusive use by a person; and (B) includes an individual fishing quota; but (C) does not include community development quotas as described in section 1855(i) of [Title 16].”
- Ex-vessel value* is not defined in statute. Under 50 C.F.R. §600.1000, *ex-vessel value* is synonymous with *delivery value*. *Delivery value* is defined as “(1) For unprocessed fish, all compensation that a fish buyer pays to a fish seller in exchange for fee fish; and (2) For processed fish, all compensation that a fish buyer would have paid to a

fish seller in exchange for fee fish if the fee fish had been unprocessed fish instead of processed fish. Delivery value encompasses fair market value, as defined herein, and includes the value of all in-kind compensation or all other goods or services exchanged in lieu of cash.”

- e. For more information on Saltonstall-Kennedy Program, see CRS Report R46335, *Saltonstall-Kennedy Act: Background and Issues*, by Anthony R. Marshak.
- f. Under 16 U.S.C. §1802(35), *Pacific Insular Area* is defined as American Samoa, Guam, the Northern Mariana Islands, Baker Island, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Island, Wake Island, or Palmyra Atoll, as applicable, and includes all islands and reefs appurtenant to such island, reef, or atoll.
- g. Pacific Insular Area fishery agreements allow foreign fishing within the EEZ adjacent to a Pacific Insular Area other than American Samoa, Guam, or the Northern Mariana Islands (e.g., see 16 U.S.C. §1824(e) and NOAA, “Pacific Island Fisheries; Marine Conservation Plan for Pacific Insular Areas Other Than American Samoa, Guam, and the Northern Mariana Islands; Western Pacific Sustainable Fisheries Fund,” 88 *Federal Register* 34131, May 26, 2023).
- h. Under 16 U.S.C. §1824(e)(4), marine conservation plans must be “consistent with any applicable fishery management plan, identify conservation and management objectives,” and “prioritize planned marine conservation projects.”

Sources of NOAA's Funding

NOAA obtains funding for its discretionary and mandatory accounts from several sources, including congressional appropriations, fees, receipts, and penalties, on an annual and/or occasional additional basis.

Annual Funding

Congress provides annual discretionary funding for NOAA through the Commerce, Justice, Science, and Related Agencies appropriations bill.¹⁰ In some years, funding for DOC agencies, including NOAA, is provided through either continuing resolutions or omnibus (or *consolidated*) appropriations acts.¹¹ Components of the agency's annual budget request and the amount Congress provides to NOAA through the annual discretionary funding process generally have included regular appropriations, transfers from other accounts, and deobligations from prior year obligations.¹² Congress typically refers to the total of these three components as the agency's *direct obligations* or *funding levels* (hereinafter *funding levels*).¹³ Regular appropriations are usually the largest portion of NOAA's overall funding levels, with transfers from other accounts and deobligations making up a relatively small portion of the total. For example, in FY2024, of the nearly \$6.8 billion Congress provided the agency in discretionary funding, \$454.5 million (nearly 7%) was provided via transfers from other accounts and deobligations.¹⁴

Congress has specified annual funding amounts for various discretionary accounts. For example, for each of FY2015 through FY2024, Congress provided between \$6.3 billion and \$7.3 billion (in 2023 dollars) for total ORF and PAC discretionary funding levels (**Figure 1**). Congress typically provides higher funding levels to the ORF account than to the PAC account, though the percentage of the total allocated to each of the ORF and PAC accounts has varied over time (**Figure 1**). From FY2015 through FY2024, ORF discretionary funding levels ranged from about 59% to 75% of the total ORF and PAC discretionary funding levels, with ORF composing over 70% since FY2020. Congress typically has allowed available funding to be obligated in multiple fiscal years, such as one to two fiscal years after the fiscal year for which the funds were appropriated.

¹⁰ For example, see CRS Report R47566, *Overview of FY2024 Appropriations for Commerce, Justice, Science, and Related Agencies (CJS)*, by Nathan James. By law, the President is required to submit a budget that details the administration's anticipated federal expenditures during a given fiscal year (October 1 to September 30) across all agencies and departments of the federal government, including NOAA. The proposed budget includes information on the agency's planned activities and the President's priorities. During its deliberations, Congress typically considers the proposed budget when determining how much funding to provide to the agency but may choose to provide more or less funding than requested and to support different priorities than those proposed.

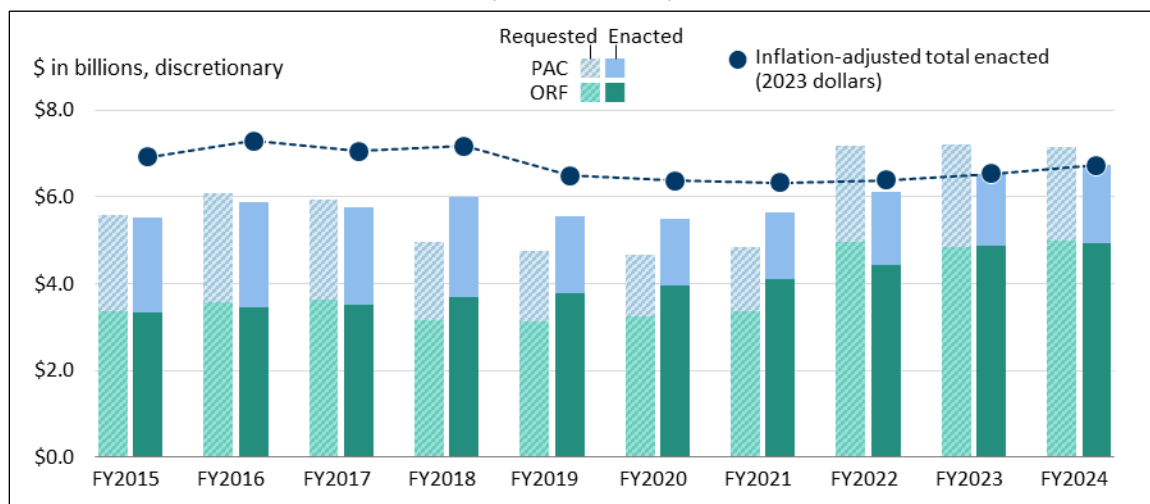
¹¹ On the appropriations process generally, see CRS Report R47106, *The Appropriations Process: A Brief Overview*, by James V. Saturno and Megan S. Lynch.

¹² The U.S. Government Accountability Office (GAO) defines *deobligation* as "an agency's cancellation or downward adjustment of previously incurred obligations" (GAO, *Principles of Federal Appropriations Law, Volume II*, 3rd ed., GAO-06-382SP, February 2006, p. 7-59). DOC defines *transfer* as "moving budgetary resources from one budget account to another" (DOC, "Glossary of Accounting Principles and Standards Terms," in *Accounting Principles and Standards Handbook*, June 2016, p. G-6, https://www.commerce.gov/sites/default/files/ofm/Final_Glossary_Acctg_Hdbk_5-23-19.pdf; hereinafter DOC Glossary).

¹³ For more information about these terms, see CRS In Focus IF12406, *National Oceanic and Atmospheric Administration (NOAA) FY2024 Budget Request and Appropriations*, by Eva Lipiec. DOC defines *obligation* as "a binding agreement that will result in outlays, immediately or in the future" (DOC Glossary, p. G-5).

¹⁴ CRS correspondence with NOAA Office of Legislative and Intergovernmental Affairs, July 18, 2024.

**Figure 1. NOAA Requested and Enacted
ORF and PAC Accounts Annual Discretionary Funding Levels
(FY2015-FY2024)**



Source: CRS, from NOAA budget justifications, congressional explanatory statements, and the White House, Office of Management and Budget, *Table 10.1- Gross Domestic Product and Deflators Used in the Historical Tables: 1940-2028*, <https://www.whitehouse.gov/omb/budget/historical-tables/>.

Notes: FY = fiscal year; NOAA = National Oceanic and Atmospheric Administration; ORF = Operations, Research, and Facilities; PAC = Procurement, Acquisition, and Construction. Discretionary funding levels include regular appropriations, transfers, and recoveries from prior year obligations. The figure does not include additional funding.

NOAA receives annual mandatory funding through various means, including transfers from other federal agencies, settlements, premiums, fees, fines, penalties, forfeiture proceeds, and congressional appropriations (see **Table 2** for further information).¹⁵ Mandatory funding composed nearly 4% of the FY2024 total of \$7.1 billion in discretionary and mandatory funding, for example.

Additional Funding

Congress has provided NOAA with periodic additional funding outside of the annual funding process (**Figure 2**).¹⁶ The additional funding has been both discretionary and mandatory. Additional discretionary funding has funded NOAA programs and activities focused on responding to certain economic disasters, such as the COVID-19 pandemic, and extreme weather events, such as hurricanes. Congress has provided such funds several times since 2015. For example, the CARES Act (P.L. 116-136) and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (P.L. 116-260), provided a total of \$620.0 million in funding to the

¹⁵ For more information about fees and revenues, see DOC, "Fees and Revenues," in *Accounting Principles and Standards Handbook*, June 2016, https://www.commerce.gov/sites/default/files/ofm/Final_Chapter_11_Acctg_Hdbk_5-23-19.pdf; for more information on appropriated mandatory spending, see CRS Report R44582, *Overview of Funding Mechanisms in the Federal Budget Process, and Selected Examples*, by Jessica Tollestrup.

¹⁶ As noted above, CBO defines *discretionary spending* as spending that stems from authority in appropriation acts; *mandatory spending* is defined as spending controlled by laws other than appropriation acts. Therefore, additional funding provided as part of appropriations laws (e.g., P.L. 116-136) is considered discretionary. Additional funding provided in other types of laws (e.g., P.L. 117-58) is considered mandatory.

ORF and Fisheries Disaster Assistance Fund accounts for activities in response to COVID-19.¹⁷ In another instance, the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43) included over \$92.0 million for ORF and over \$52.0 million for PAC for “necessary expenses related to the consequences of hurricanes and of wildfires.”¹⁸ Congress typically has allowed the additional amounts to remain available for multiple fiscal years, such as one to two fiscal years after the fiscal year for which the funds were appropriated.

In addition, Congress has provided additional mandatory funding for the ORF, PAC, and Fisheries Disaster Assistance Fund accounts for reasons unrelated to a specific event (**Figure 2**). For example, the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) and the law known as the Inflation Reduction Act of 2022 (IRA; P.L. 117-169) included several billion dollars in funds for NOAA activities.¹⁹ Provisions, for example, included \$492 million over five years for grants from the National Oceans and Coastal Security Fund and \$190 million to remain available for five years to procure high-performance computing, data processing capacity, data management, and storage assets, among other purposes.²⁰

The total amount of additional funding provided in IIJA and IRA exceeds the total amounts Congress had otherwise provided NOAA since 2015 (**Figure 2**). Congress directed the agency to disburse most of the IIJA and IRA funding to nonfederal entities through direct payments, grants, and cooperative agreements.²¹

¹⁷ P.L. 116-136, Division B, Title II, and P.L. 116-260, Division M.

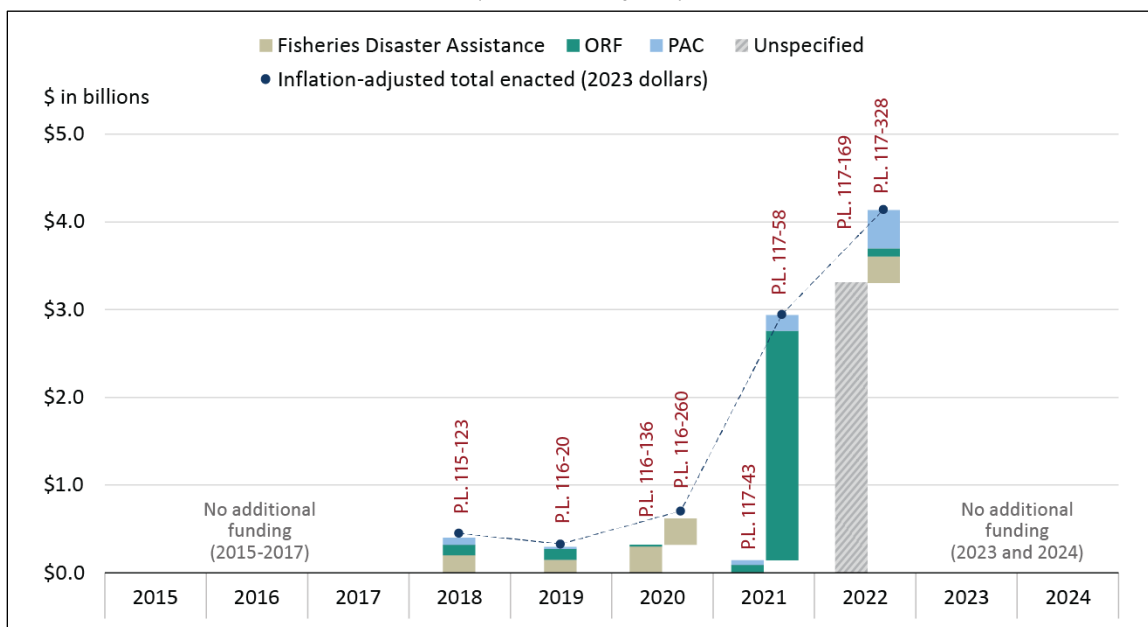
¹⁸ P.L. 117-43, Division B, Title II.

¹⁹ P.L. 117-58 and P.L. 117-169. Congress provided NOAA a total of \$2.8 billion in P.L. 117-58 and \$3.3 billion in P.L. 117-169.

²⁰ P.L. 117-58, Division J, Title II, National Oceanic and Atmospheric Administration, §1, and P.L. 117-169, Title IV, §40005.

²¹ Under 31 U.S.C. §6305, a *cooperative grant* is a “legal instrument reflecting a relationship” between NOAA, for example, and a nonfederal entity to “transfer a thing of value” with “substantial involvement” expected of NOAA when carrying out the activity described in the agreement. For more information about NOAA’s disbursement of the funds, see NOAA, “Bipartisan Infrastructure Law,” <https://www.noaa.gov/infrastructure-law>, and NOAA, “Inflation Reduction Act,” <https://www.noaa.gov/inflation-reduction-act>.

Figure 2. NOAA Additional Funding Amounts by Year of Enactment
(2015-2024, by law)



Source: CRS from P.L. 115-123, P.L. 116-20, P.L. 116-136, P.L. 116-260, P.L. 117-43, P.L. 117-58, P.L. 117-169, P.L. 117-328, and the White House, Office of Management and Budget, *Table 10.1- Gross Domestic Product and Deflators Used in the Historical Tables: 1940-2028*, <https://www.whitehouse.gov/omb/budget/historical-tables/>.

Notes: NOAA = National Oceanic and Atmospheric Administration; ORF = Operations, Research, and Facilities; PAC = Procurement, Acquisitions, and Construction. P.L. 117-169 (known as the Inflation Reduction Act of 2022) did not distinguish what account the amounts provided should go toward. Therefore, the P.L. 117-169 amount is denoted as “Unspecified” and shown in hashed gray. The laws made funding available for multiple fiscal years or until expended.

Issues for Congress

Congress may consider a range of potential issues related to NOAA’s annual and additional funding. These issues are discussed below under two broad categories: (1) authorizations of appropriations and funding level issues and (2) program administration issues.

Authorizations and Funding Levels

NOAA faces several funding-related challenges. Issues include a lack of current or updated authorizations of appropriations across programs and fiscal years and changes in funding levels due, in part, to additional funding.

Authorizations of Appropriations

The potential effect of expired authorizations of appropriations on congressional decisionmaking on appropriations levels has been a concern for Congress. As of July 2024, the Congressional Budget Office (CBO) listed at least 23 laws, some with multiple provisions, directing NOAA’s activities with authorizations of appropriations that expired prior to or are expiring in FY2025.²²

²² CBO, “Expired and Expiring Authorizations of Appropriations for Fiscal Year 2024,” spreadsheet, July 25, 2024, (continued...)

CBO estimated that Congress has authorized appropriations of over \$515.4 billion and appropriated over \$442.4 billion over time for these provisions, which focus on topics such as research, fisheries, marine mammal conservation, and marine and aviation operations, among others.²³

Some Members of Congress have expressed concern with appropriating funding to NOAA activities and programs with authorizations of appropriations that have expired or are expiring in the current fiscal year. They have sought a “commitment to regular order” where appropriations are made only to agencies and programs with current authorizations of appropriations.²⁴ Others in Congress might assert that the authorizations could be reconsidered to better reflect current congressional priorities and to better guide appropriators and Congress generally in decisionmaking on levels of appropriations. Congress could choose to examine some or all of NOAA’s authorities and programs with lapsed authorizations of appropriations. Additionally, Congress might wish to consider whether consolidating authorizations of appropriations across programs or parts of NOAA would create more efficiencies and consistency in NOAA’s implementation of its authorities. Alternatively, Congress might seek to reduce deliberations on authorizations of appropriations given other congressional priorities, time constraints, and the potential for collaboration among authorizing committees, appropriations committees, and congressional leadership during the appropriations process.

Further, if Congress were to amend the authorizations of appropriations on a program-by-program or line office basis, there may be a lag in reauthorizing appropriations for each program. This may create a challenge for NOAA in developing consistent policies and procedures across programs when there is uncertainty regarding what additional directives may be included in subsequent reauthorization language or appropriations bills.

Funding Levels

Members of Congress and other stakeholders have expressed differing views on NOAA’s funding levels, with some advocating for higher, lower, or level funding over time. For example, some Members of Congress have proposed increased funding levels that would help NOAA “advance the next generation of climate and weather satellites,” among other activities.²⁵ Some stakeholders also could contend that increasing NOAA’s funding level to account for inflation, for example, would be appropriate. Alternatively, some Members have asserted that decreases in funding levels for some agencies, such as NOAA, are necessary, as the “fiscal situation facing the [n]ation requires some very significant and difficult spending reductions”; some of these

<https://www.cbo.gov/publication/60390>. CRS identified the laws by reviewing legislation for mentions of NOAA under the jurisdiction of the Senate Commerce, Science, and Transportation Committee and House and Senate Commerce, Justice, Science, and Other Agencies Appropriations Committees, with a focus on legislation with authorization of appropriations expiring in FY2025 or earlier. (For more information about the relationship between authorizations and appropriations, see CRS Report R46497, *Authorizations and the Appropriations Process*, by James V. Saturno.)

²³ CBO was unable to identify appropriated amounts for 32 provisions. According to the agency, “some programs are small enough that neither the statutory text of that year’s appropriations bills nor their accompanying legislative history mentions an explicit amount of funding for them.”

²⁴ For example, see remarks from Representative Andrew Clyde, in U.S. Congress, House Appropriations Committee, Commerce, Justice, Science, and Related Agencies Subcommittee, *Fiscal Year 2024 Budget Request for the Department of Commerce*, hearing transcript, April 18, 2023, <https://congressional.proquest.com/congressional/docview/t39.d40.tr04180123.o39>.

²⁵ Remarks from Senator Jeanne Shaheen, in U.S. Congress, Senate Appropriations Committee, Commerce, Justice, Science and Related Agencies Subcommittee, *Fiscal Year 2024 Budget Request for the Department of Commerce*, hearing transcript, April 26, 2023, <https://congressional.proquest.com/congressional/docview/t39.d40.tr04260123.o12?accountid=12084>.

Members contended that a draft version of the FY2024 appropriations bill, for example, “right-sizes agencies and programs.”²⁶ Others have favored additional scrutiny of NOAA’s budget request to determine whether the “program, activity or funding protect[s] lives and property,” among other factors.²⁷ Stakeholders outside of Congress have shared sentiments similar to those expressed in Congress, with some supporting maintenance of or increases to NOAA’s funding and others advocating for lower funding levels.²⁸

It can be difficult to track NOAA’s proposed and actual spending of additional funding, making it challenging to determine whether existing funding levels are adequate to meet the agency’s responsibilities (further discussed in the “Oversight and Monitoring” section, below). Congress may consider making changes to annual funding levels for activities and programs to account for available additional funding for NOAA through FY2026. Congress also may deliberate whether additional annual funds are necessary for the agency once additional funding has been spent.

Program Administration

NOAA and nonfederal entities may face multiple challenges in administering programs and projects. These challenges could include the ability to efficiently (1) manage accounts with different administrative activities and statutory requirements, (2) monitor and conduct oversight of fund disbursement, and (3) address program and project administration capacities at both the federal and nonfederal recipient levels.

Administering Program Funding

It may be challenging for NOAA to administer its programs and activities because of the agency’s multiple authorizations and funding streams (see “Accounts and Funding”). As noted, the two main accounts that fund NOAA projects are ORF and PAC. However, the administrative activities involved for ORF-funded projects differ significantly from the administrative activities involved for PAC-funded projects. Program administration activities for ORF-type projects generally include developing extensive policy and procedure manuals that provide definitions and allowable-use provisions for project management and administration (M&A) costs.²⁹ By comparison, PAC-type projects generally involve more pre-award program administration activities by NOAA to ensure the acquisition, construction, or modification of facilities aligns

²⁶ House Appropriations Committee Majority, “Rogers Remarks at FY24 Commerce, Justice, Science, and Related Agencies Bill Markup,” July 14, 2023, <https://appropriations.house.gov/news/statements/rogers-remarks-fy24-commerce-justice-science-and-related-agencies-bill-markup>.

²⁷ Remarks from Representatives Max Miller and Frank Lucas, in U.S. Congress, House Committee on Science, Space, and Technology, Environment Subcommittee, *Fiscal Year 2024 National Oceanic and Atmospheric Administration Budget Request*, hearing transcript, May 11, 2023, <https://congressional.proquest.com/congressional/docview/t39.d40.tr05110123.o10>.

²⁸ For example, see Surfrider, “Fund NOAA’s Budget for 2024,” <https://www.surfrider.org/campaigns/Fund%20NOAA's%20Budget%20for%202024>; North American Association of Environmental Educators, “FY2024 EE Appropriations,” <https://naaee.org/programs/ee-policy/current-issues>; correspondence from Friends of NOAA to Senators Patty Murray and Susan Collins and Representatives Kay Granger and Rosa DeLauro, May 12, 2023, <https://friendsofnoaa.earth/wp-content/uploads/2023/05/Friends-of-NOAA-FY24-Appropriations-Letter-of-Support-051223.pdf>; The Heritage Foundation, “House Spending Bills Have Welcome Cuts But Still Leave Billions in Potential Savings on the Table, August 1, 2023,” <https://www.heritage.org/budget-and-spending/commentary/house-spending-bills-have-welcome-cuts-still-leave-billions>; and Romina Boccia, “The GOP Wants to Return Discretionary Spending to FY2022 Levels: A Brief Analysis,” Cato Institute, January 25, 2023, <https://www.cato.org/blog/gop-wants-return-discretionary-spending-fy2022-levels-brief-analysis>.

²⁹ For more information, see NOAA, “Financial Assistance,” <https://www.noaa.gov/organization/acquisition-grants/financial-assistance>.

with applicable federal rules and regulations.³⁰ Therefore, program administration approaches, including how to allocate resources to disburse and monitor funding, vary based upon the type of account used to fund the project.

Further, Congress sometimes includes additional directives in appropriations laws and related report language. In these instances, NOAA must adjust program administration activities specific to that particular appropriated amount. This may increase NOAA's administrative tasks and impact the agency's ability to streamline program administration activities across programs and accounts. Alternatively, additional directives may require the agency to streamline program and activity administration, which may lessen administrative burden. Congress may consider the relative merits of alternative approaches to program administration. Potential approaches could include consolidating program activities based on the type of project to be funded or streamlining program and activity authorizations across the agency, among other actions.

Oversight and Monitoring

Both Congress and NOAA perform oversight and monitoring of federal funding administration—Congress of the agency's program and activity administration and NOAA of its grant recipients' project administration. Congress may assess whether to address challenges in program and project administration, including via changes to spend plans and grant recipient monitoring mechanisms, among other potential options.

Spend Plans

Congress performs oversight and monitoring of federal agency spending through various means, including reviewing agency plans to spend available funding. However, it can be difficult to track NOAA's proposed and actual spending of funding. This is because budget documents are typically released once a year as part of the annual requested budget submission to Congress and/or may not include information about additional funding. For example, while Congress included NOAA-specific oversight measures within IJA, Congress did not do so in IRA. The IJA provisions state that, for the ORF and Pacific Coastal Salmon Recovery accounts, “for each of fiscal years 2023 through 2026, as part of the annual budget submission of the President under [31 U.S.C. §1105(a)], the Secretary of Commerce shall submit a detailed spend plan for that fiscal year.”³¹ The FY2023 and FY2024 NOAA budget requests to Congress, which are publicly available, included mentions of IJA and IRA. These requests did not contain a spend plan for this additional funding.³² The FY2025 NOAA budget request included a spend plan for appropriations received via IJA and did not include a spend plan for IRA funds.³³ Spend plans for additional funding in these years could have been sent to the congressional committees of jurisdiction directly and not made publicly accessible. Some agencies, such as the U.S. Fish and Wildlife

³⁰ For more information, see NOAA, “Acquisition,” <https://www.noaa.gov/organization/acquisition-grants/acquisition>.

³¹ P.L. 117-58, Division J, Title II. The term *spend plan* is not defined in statute or in federal regulation. One source defines a spend plan as an agency's financial activity (obligations and expenditures) using funds appropriated by Congress (Defense Acquisition University, “Spend Plans,” <https://www.dau.edu/acquikipedia-article/spend-plans>).

³² NOAA, *Budget Estimates Fiscal Year 2023, Congressional Submission*, April 2022, https://www.noaa.gov/sites/default/files/2022-04/FY23_NOAAPresidents_Budget_508Compliant.pdf, and NOAA, *Budget Estimates FY2024*. CRS requested the FY2023 and FY2024 spend plans from NOAA, but the agency declined to provide them.

³³ NOAA, *Budget Estimate Fiscal Year 2025 Congressional Submission*, March 2024, p. BIL Control Table-1, https://www.noaa.gov/sites/default/files/2024-03/NOAA_FY25_Congressional_Justification.pdf.

Service and the U.S. Forest Service, have published their spend plans, in addition to their annual budget requests, on agency websites.³⁴

Moving forward, Congress could evaluate whether to take additional actions to foster congressional oversight of NOAA and public availability of information from the agency. For instance, Congress could assess the advantages and disadvantages of directing NOAA to include spend plans, for any future additional funding laws, in subsequent budget documents. Similarly, Congress could consider whether to direct NOAA to report to the House and Senate Appropriations Committees on programs funded or created by additional funding laws, as required for some other agencies.³⁵ Additionally, Congress could weigh whether to instruct DOC and/or NOAA to continue to track existing and/or new aspects of additional spending through mechanisms such as USAspending.gov and individual agency websites and geospatial tools.³⁶

Grant Recipient Monitoring

In line with other federal agencies, NOAA is required to conduct monitoring and oversight activities of grant recipients as part of the agency's program administration responsibilities. DOC has reported on issues related to NOAA's disbursement of previous additional funding. For example, in 2020, the DOC Office of Inspector General (OIG) identified errors in previous disbursements of additional funds for fishery disaster assistance, including instances "where [interstate] Commissions claimed costs that were either unallowable, not allocable, or unsupported."³⁷ DOC officials identified ways to improve the agency's funding disbursal and use,

³⁴ For example, see Department of the Interior, U.S. Fish and Wildlife Service, *Implementation of the Bipartisan Infrastructure Law, Initial Spend Plan*, February 16, 2022, <https://www.fws.gov/media/implementation-bipartisan-infrastructure-law-initial-spend-plan>, and U.S. Department of Agriculture, Forest Service, *Spend Plan for Infrastructure Investment and Jobs Act, 2022*, February 11, 2022, <https://www.fs.usda.gov/sites/default/files/IJA-Spend-Plan-all-2-11-2022.pdf>.

³⁵ For example, under P.L. 117-58, §40808(g) and (h), U.S. Department of Agriculture officials are required to report on funding and project status, among other things.

³⁶ For example, the American Fisheries Society and other groups requested that the heads of the Departments of the Interior, Agriculture, Transportation, Commerce; U.S. Army Corps of Engineers; U.S. Environmental Protection Agency; Federal Emergency Management Agency; and Council on Environmental Quality develop IJA implementation websites to inventory planning efforts and projects and monitor project outcomes, among other purposes (see letter from the American Fisheries Society and other groups to the heads of the Departments of the Interior, Agriculture, Transportation, Commerce; U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, Federal Emergency Management Agency, and Council on Environmental Quality, "Conservation Considerations for Infrastructure Implementation," March 3, 2022, <https://fisheries.org/2022/03/conservation-considerations-for-infrastructure-implementation/>).

NOAA has developed an interactive map with information about projects funded by NOAA under P.L. 117-58. As of June 7, 2024, the map was last updated April 2023 and provided links to additional information (see NOAA, "NOAA Bipartisan Infrastructure Law Investments-April 2023," April 2023, https://experience.arcgis.com/experience/63ef45d527794fc08b2c389062e05a5d?data_id=dataSource_1-DATA_BIL_Grants_2023_041123_8821%3A8). In another example pertaining to agency websites, the Department of the Interior also posted an interactive map of IJA-funded projects (see "U.S. Department of the Interior, Bipartisan Infrastructure Law Projects Map," August 12, 2024, <https://public.tableau.com/app/profile/doi.bil/viz/DOIBILProjectMap/DOIBILProjectMap>).

³⁷ Memorandum for Bob Westbrook, Executive Director, Pandemic Response Accountability Committee, Council of the Inspectors General on Integrity and Efficiency, "Top Oversight Challenges Facing the Department of Commerce to Ensuring That Pandemic Funds Are Timely and Appropriately Spent," from Frederick J. Meny Jr., Assistant Inspector General for Audit and Evaluation, U.S. Department of Commerce, Office of Inspector General (DOC OIG), May 11, 2020, p. 3, <https://www.oig.doc.gov/OIGPublications/OIG-20-026-M.pdf>. NOAA regularly works with interstate marine fisheries commissions to disburse funds to the fishery participants in the region.

using lessons learned from oversight of COVID-related funds, including improving controls over grant file management.³⁸

Additionally, Congress could consider whether to direct the agency to implement a pre-award risk assessment mechanism pursuant to Office of Management and Budget (OMB) guidance.³⁹ Among other provisions in the OMB guidance, a grantee risk assessment could include evaluating nonfederal entities' capacity to conduct appropriate project management and developing an enhanced monitoring, reporting, and technical assistance plan to better assist the nonfederal entities in managing federal grant funding. Adjusting grant guidance to the grantee, based on the risk assessment, could reduce agency program administration challenges. In addition, such actions might enable NOAA to take a more proactive approach to potential high-risk grantees, potentially reducing the risk of waste, fraud, and abuse in line with OMB recommendations.

Congress could consider other ways to perform oversight of the disbursement of IJA and IRA funds to grant recipients to encourage appropriate implementation. For example, Congress could evaluate whether to

- conduct additional oversight actions, such as holding congressional hearings, writing letters to the agency, and making requests for DOC OIG and Government Accountability Office (GAO) audits and investigations of agency and nonfederal recipient actions,⁴⁰ and
- direct a portion of enacted funding or any future funding toward DOC OIG to conduct oversight of NOAA's disbursement of the additional funding.⁴¹

More generally, Congress could consider whether to direct NOAA to take any of these actions using enacted funding, which could draw funds away from other agency activities. Alternatively, Congress could consider providing additional funds for implementation, which could impact the availability of funding for other NOAA functions or governmental purposes more broadly.

Federal and Nonfederal Capacity to Administer Programs and Projects

Additional funding often requires enhanced program administration capacity at both federal agencies and nonfederal entities.⁴² GAO has reported that human capital, organizational, and financial capacities at federal agencies and nonfederal entities are key to successful grants management,⁴³ with limited capacity potentially increasing the risk of waste, fraud, and abuse.

³⁸ Ibid., p. 4.

³⁹ 2 C.F.R. §200.206.

⁴⁰ For more about congressional oversight, see CRS In Focus IF10015, *Congressional Oversight and Investigations*, by Todd Garvey, Mark J. Oleszek, and Ben Wilhelm, and CRS Report RL30240, *Congressional Oversight Manual*, coordinated by Ben Wilhelm, Todd Garvey, and Christopher M. Davis.

⁴¹ For example, under P.L. 117-58, Division J, Title II, Congress provided funds to the National Telecommunications and Information Administration (NTIA) to transfer to the DOC OIG for oversight of funds provided to NTIA.

⁴² *Program administration capacity* refers to the resources necessary to efficiently and effectively administer federal funding and conduct federally funded projects. Program administration activities are undertaken at the federal level, whereas project administration activities are done at the nonfederal grant recipient level. These activities traditionally are considered management and administration costs.

⁴³ For example, see GAO, *Grants Management: Observations on Challenges with Access, Use, and Oversight*, Testimony from Director Jeff Arkin before the Senate Homeland Security and Governmental Affairs Committee, GAO-23-106797, May 2, 2023. In the testimony, GAO defines *human capital capacity* as “the extent to which an organization has sufficient staff, knowledge, and technical skills to effectively meet its goals and objectives”; *organizational capacity* as “the degree to which a grant-making agency or grant recipient is institutionally prepared to manage and carry out grants”; and *financial capacity* as “the ability of grantees or grant applicants to meet financial (continued...)”

Some stakeholders have expressed concerns with federal and nonfederal capacity to administer funding provided to NOAA via IJA and IRA.

Federal Capacity Challenges

The extent to which NOAA has sufficient capacity to manage available additional funding has been under discussion. Some at NOAA have expressed concern with the agency's capacity to manage the available additional funding. For instance, in 2022, the NOAA Administrator expressed that agency employees lacked "resources and staffing" and were "being asked to do more with less" when implementing NOAA-led initiatives under IJA and IRA.⁴⁴

Depending on whether NOAA has the authority to adjust allocations of funding for program administration activities, NOAA may face capacity challenges in administering programs, including the following:

- **Diversity in types of programs and projects to administer.** The diversity in NOAA programs and projects may make it more difficult to streamline or standardize program administration activities.
- **Differences in administering annual vs. additional funding.** NOAA's process for administering annually appropriated funding differs from the process for administering additional funding. NOAA also may need to conduct additional monitoring and oversight if a nonfederal entity received funding from both funding streams, particularly in cases where there is a significant increase in funding over previous funding amounts.
- **Overlapping program administration phases.** If additional funding is provided when other grant funding already has been awarded to nonfederal entities, agency employees face overlapping grant administration duties when conducting both pre- and post-award activities simultaneously.⁴⁵ The challenge may be enhanced by the number of programs NOAA is administering that may receive both annual and additional funding.
- **Accelerated timelines.** Congress directed NOAA to obligate certain amounts of funding provided in IJA and IRA within certain time frames (e.g., within the next two fiscal years). GAO noted that, in the past, creation of new programs through additional funding sometimes has required accelerated program rollouts, which occasionally has led to administrative capacity challenges for agencies.⁴⁶ Additionally, accelerating the implementation of new programs may lead to reduced monitoring, oversight, and/or technical assistance for existing grantees. In turn, reduced monitoring and oversight activities may increase the risk of waste, fraud, and abuse.

M&A activities generally include the use of cash and grant management systems, technical assistance for grantees, and development of resources for grant seekers and grant recipients.

responsibilities related to federal grants. A lack of financial capacity can reduce an organization's ability to apply for grants that require local resource investments or maintenance of effort provisions."

⁴⁴ NOAA, "A Message from the NOAA Administrator," October 20, 2022, https://peer.org/wp-content/uploads/2023/03/3_23_Workforce-burnout-all-hands-memo.pdf.

⁴⁵ For additional discussion of grant program administration, see CRS In Focus IF12304, *Potential Causes of Delayed Disbursements of Supplemental Grant Funding*, by Natalie Paris.

⁴⁶ GAO, *Oversight of Agency Spending, Implementing GAO Recommendations Could Help Address Previously Identified Challenges at Commerce, DOE, and EPA*, GAO-23-106726, March 29, 2023, p. 5.

Congress sometimes has specified how NOAA should use M&A funds. For example, under IIJA, Congress directed the agency to use over \$2.6 billion for certain activities and “for administrative costs, technical support, and oversight.”⁴⁷ Several sections in IRA (§§40001, 40004(a) and (b), and 40005) directed NOAA to use funds for grants, technical assistance, and research and “for related administrative expenses.”⁴⁸ NOAA also has previously explored alternatives to reduce the administrative activities of the agency, including by transferring funds to another agency to administer.⁴⁹

Although funding for M&A activities is included in IIJA and IRA, Congress could consider whether additional funding would help resolve specific challenges. Congress also may consider providing guidance to NOAA on how to prioritize M&A expenditures. For example, policymakers may consider directing the agency to use funding for personnel vs. technical assistance to grantees. In addition, Congress may consider extending the time frames to use the funding, thereby potentially alleviating NOAA M&A capacity challenges and possibly reducing the risk of waste, fraud, and abuse. Finally, policymakers may deliberate whether to direct NOAA to work with other agencies to distribute additional funding.

Nonfederal Capacity Challenges

Nonfederal grant applicants and recipients may face a range of challenges within their organizations that could impact their ability to access, manage, and implement grants. For example, some stakeholders have identified issues related to inadequate staffing to apply for and manage federal grants or financial constraints limiting their ability to fulfill program and project requirements.⁵⁰ More specifically, nonfederal grant applicants and recipients may face capacity challenges related to (1) the availability of funding from and differences in requirements across NOAA programs, (2) variations in requirements for annual funding vs. additional funding, (3) the management of funding opportunities and projects in different administration phases, and (4) the necessity of working on accelerated time frames. For example, a nonfederal entity may be receiving funding from more than one NOAA program, with project administration activities that may overlap if each of the funding opportunities is in a different phase. The recipient may then be notified of the availability of additional funding. Additional funding may include provisions that vary from traditional program administration, which may require the applicant to seek increased assistance to facilitate compliance.⁵¹

⁴⁷ P.L. 117-58, Division J, Title II, National Oceanic and Atmospheric Administration. Congress provided a total of nearly \$2.8 billion to NOAA in IIJA.

⁴⁸ P.L. 117-169, §§40001, 40004, and 40005. Congress provided a total of \$3.3 billion to NOAA in P.L. 117-169, including \$2.6 billion in §40001, \$200 million in §40004, and \$190 million in §40005.

⁴⁹ For example, NOAA transferred COVID-related funds to, and used an existing mechanism at, the Bureau of Indian Affairs to “distribute funds more quickly” and “reduce the administrative burden on the agency and tribes.”⁴⁹ However, transferring funding to another agency may result in a reduced or delayed ability to conduct oversight, since the awarding agency would assume responsibility for the primary grant administration activities, including selecting recipients, monitoring use of funding, and providing technical assistance to grantees.

⁵⁰ For example, see letter from the American Fisheries Society and other groups to the heads of the Departments of the Interior, Agriculture, Transportation, Commerce; U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, Federal Emergency Management Agency, and Council on Environmental Quality, “Conservation Considerations for Infrastructure Implementation,” March 3, 2022, <https://fisheries.org/2022/03/conservation-considerations-for-infrastructure-implementation/>.

⁵¹ For additional discussion of grant program technical assistance, see CRS Report R47607, *Federal Grant Technical Assistance: Definition, Use, and Considerations for Congress*, by Natalie Paris.

Congress has directed NOAA to provide technical assistance to nonfederal entities to facilitate grant funding administration activities and ameliorate some of these challenges. For example, Congress directed NOAA to use some funds under IJA and IRA for “technical support” or “technical assistance.”⁵² NOAA used this funding to provide technical assistance to applicants and/or recipients for IJA- and IRA-related funding opportunities.⁵³

Congress could evaluate what, if any, additional direction to NOAA might improve nonfederal capacity and potentially lower the risk of waste, fraud, and abuse. Additionally, Congress could consider whether to direct GAO, DOC OIG, or another entity to assess the extent to which NOAA is meeting the needs of applicants or recipients through its technical assistance programs or other means. Depending on the outcome of any such assessment, additional courses of action could include directing the agency to implement any assessment recommendations and making additional federal resources available to NOAA for such implementation.

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⁵² P.L. 117-58, Division J, Title II, National Oceanic and Atmospheric Administration. (Congress provided a total of nearly \$2.8 billion to NOAA in P.L. 117-58, including \$2.6 billion of ORF.) P.L. 117-169, §40001. (Congress provided a total of \$3.3 billion to NOAA in P.L. 117-169, including \$2.6 billion in §40001.)

⁵³ White House, *Investing in America: Technical Assistance Guide*, September 2023, <https://www.whitehouse.gov/wp-content/uploads/2023/09/IIA-Technical-Assistance-Guide-September-2023-v091223.pdf>.