



Highlights of [GAO-05-239](#), a report to congressional requesters

### Why GAO Did This Study

In 1999, the Department of Health and Human Services' (HHS) Centers for Disease Control and Prevention (CDC) began funding jurisdictions' efforts to prepare for bioterrorism attacks through the Public Health Preparedness and Response for Bioterrorism program. After the events of September 11, 2001, and the 2001 anthrax incidents, program funds increased almost twentyfold. Citing jurisdictions' unexpended program funds, HHS reallocated some fiscal year 2004 funds to support other local and national bioterrorism initiatives. Jurisdictions and associations representing jurisdictions disputed HHS's assertion that large amounts of funds remain unused, noting that HHS did not acknowledge obligated funds that had not yet been expended.

GAO was asked to provide information on (1) the extent to which jurisdictions had expended the fiscal year 2002 funds awarded for the program's third budget period as of August 30, 2003, and August 31, 2004, and the fiscal year 2003 funds awarded for the program's fourth budget period, as of August 30, 2004; (2) the extent to which fiscal year 2001, 2002, and 2003 funds awarded for the third and fourth budget periods remained unobligated as of August 30, 2004; and (3) factors jurisdictions identified as contributing to delays in expending and obligating funds and actions some jurisdictions took to address them.

[www.gao.gov/cgi-bin/getrpt?GAO-05-239](http://www.gao.gov/cgi-bin/getrpt?GAO-05-239).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marjorie Kanof at (202) 512-7114.

## BIOTERRORISM

# Information on Jurisdictions' Expenditure and Reported Obligation of Program Funds

### What GAO Found

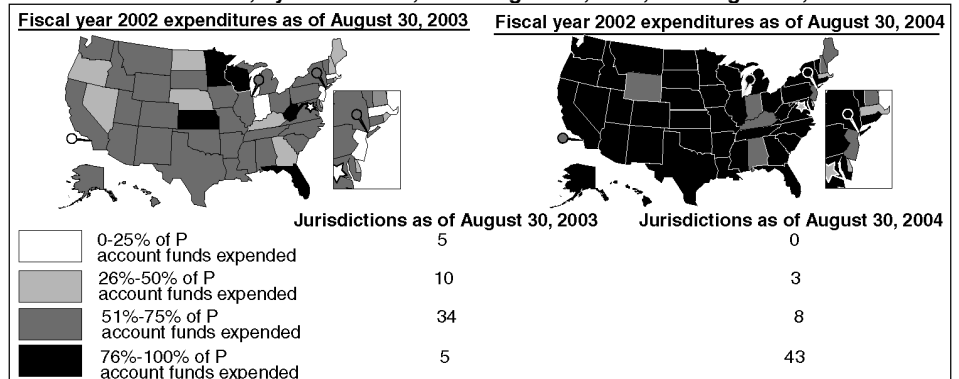
Jurisdictions have expended a substantial amount of Bioterrorism program funds. As of August 30, 2004, jurisdictions had expended over four-fifths of the fiscal year 2002 funds awarded during the third budget period through the HHS P accounts—the public assistance accounts that track over 90 percent of all funds awarded. As of that date, they had expended slightly over half of P account funds awarded for the program's fourth budget period. Jurisdictions continued, as authorized, to expend funds beyond the budget period for which they were awarded. For example, some expenditures, such as contract payments, extend beyond one budget period.

At the end of the program's third budget period, jurisdictions reported that less than one-sixth of all bioterrorism funds awarded for that period—including both fiscal year 2001 and 2002 funds—remained unobligated, and some jurisdictions reported that none of their funds remained unobligated. As of August 1, 2004, jurisdictions estimated that less than one-quarter of all funds awarded for the fourth budget period would remain unobligated as of August 30, 2004, and five jurisdictions estimated that they would have no funds remaining unobligated.

Many jurisdictions reported facing challenges, partly related to administrative processes, that delayed their obligation and expenditure of bioterrorism funds. These included workforce issues such as hiring freezes; contracting and procurement processes to ensure responsible use of public funds; and lengthy information technology upgrades. Some jurisdictions have simplified these processes to expedite the obligation and expenditure of funds.

We provided a draft of this report to HHS for comment, and the agency informed us it had no comments on the draft report.

**Expenditure Rates of the Third Budget Period's Fiscal Year 2002 Bioterrorism Program Funds from P Accounts, by Jurisdiction, as of August 30, 2003, and August 30, 2004**



Source: GAO analysis of HHS's Division of Payment Services Payment Management System data.

Note: These data do not include all funds awarded to jurisdictions through the Bioterrorism program. For example, while the program's third budget period was a 24-month period, extending from August 31, 2001, to August 30, 2003, and used funds from both fiscal years 2001 and 2002, these expenditure rates reflect data only on fiscal year 2002 funds.