

**PERFORMANCE MANAGEMENT AND
CONGRESSIONAL OVERSIGHT: 380
RECOMMENDATIONS TO REDUCE OVERLAP
AND DUPLICATION TO MAKE
WASHINGTON MORE EFFICIENT**

HEARING

BEFORE THE

COMMITTEE ON
HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

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WEDNESDAY, MAY 22, 2012

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:03 a.m., in room 342, Dirksen Senate Office Building, Hon. Thomas R. Carper, presiding.

Present: Senators Carper, Begich, and Coburn.

OPENING STATEMENT OF CHAIRMAN CARPER

Chairman CARPER. Good morning, everyone. The hearing will come to order.

I am going to depart from our script. I just got a brief update from Senator Coburn, who just returned late last night from Oklahoma where they have gone through a very tough time, still going through a very tough time, and I am just going to ask that we begin this morning with just a moment of silence and thinking of the folks who have lost their lives and the families who are struggling through a very bad situation. So if we could just start that way. [Pause.]

Thanks very much. Dr. Coburn, would you like to lead off.

Senator COBURN. I would be happy to.

Chairman CARPER. And if you want to give us a little update on Oklahoma, that would be good, as well.

OPENING STATEMENT OF SENATOR COBURN

Senator COBURN. Oklahomans are going to do fine. We had a tragic loss of life. The material things can be replaced, and we will. We are a hearty folk and we know how to deal with situations like this. We have done it before.

The greatest thing I saw yesterday were about \$25 million in contributions from Oklahoma companies and other people throughout the country, which is the way it should work. We have neighbor helping neighbor, not just in Moore, Oklahoma, but across the country. It actually is more effective. It works better. It benefits those giving as well as those receiving. So I am thankful. It makes

me proud to be an American when I see that kind of stuff and even prouder to be an Oklahoman.

Let me just welcome Gene Dodaro. I cannot say enough for the staff at the Government Accountability Office (GAO).

In 1909, the *Washington Post* wrote a story that the government was spending thousands of dollars unnecessarily, that work was being duplicated in various departments, and the introduction of some system was badly needed. The only problem now is it is tens of billions and we have not effectively changed it.

GAO has outlined some \$250 billion worth of duplications that occur annually that the Congress has truly not acted on. We have done, actually, one thing significant, and that is we have eliminated \$6 billion a year in Volumetric Ethanol Excise Tax Credit (VEETC) blending. That is the only thing that we have done. You are gracious to say that we have done some things based on your recommendations, but as far as eliminating duplication, consolidating programs, and actually making a difference for the American people, the Congress is reticent to approach those things.

And if you look at your own report, we have addressed 12 percent of the areas. We have completed action on 22 percent. The Executive Branch has completed action on 22 percent. The Office of Management and Budget (OMB) has worked on 24 percent. Congress has done 20 percent of the things that you have recommended. But that does not include eliminating any duplication.

And if I have any criticism of all of GAO, it is that the law states—the law that I authored and we passed—states that you are to make recommendations for eliminations, which you have never done. You have identified where the duplication is, but that is a powerful tool in the hands of Tom Carper and myself. When GAO says, here are some things that ought to be eliminated, and if we can take that, then we can actually make stronger the argument that we have the scholarship behind the great efforts at GAO.

Our country is waiting and primed to burst into the greatest amount of growth our country has ever seen. There are a lot of reasons why we are not—the debt, the deficit. But the real reason is leadership. And I am thankful to have a Chairman of Tom Carper's status and capability to help us lead on these areas, and I am thankful that we have the leadership at GAO that has done the hard work over the last 3½ years, and I know it has been hard.

I mean, we still do not know all the programs. We actually do not know what the definition of a program is, which is one of the problems. The other problem is, the agencies do not know how much they spend on programs. They cannot tell you.

And so it is a management mess and to fix it requires good scholarship, but the most important thing it requires is great leadership. And my hope is that in my conversations with the President and with others in the Administration and with the facts that GAO arms us with, that we can actually make some great headway in terms of righting our ship.

My colleagues always talk about fixing Medicare, which is a big problem, saving Medicare, saving Social Security, saving Medicaid, and we know that is where the big dollars in the out-years are for the Baby Boomers, like myself and Tom Carper. But there is a lot in the rest of the government that is not efficient, that is wasted,

that does not accomplish its end points, that has no metric, and we have no idea.

One of the areas where we found one wind firm got the same grant from seven different grant programs within the department and nobody in any of the grant programs knew they were giving the same money to the same firm for the same purpose. So the right hand does not know what the left hand is doing.

I would just sum up by saying, there is not a problem in front of us that we cannot fix. What we need is dedicated Members of Congress to get busy fixing it. My hope is that Tom Carper and I can have the influence in the Senate to try to approach and accomplish some of the waste. It is all good intentioned. There is no malignant thought behind what we are doing. But the point is, a lot of it is associated with stupidity and incompetence and no common sense.

So, I, again, would praise the work of the GAO, and I know, Gene, it is not you. It is all those wonderful people that work for you. And I am truly appreciative of the efforts. We cannot do what we do without your expertise and we are very appreciative of that.

Mr. Chairman, I would ask that my full statement be made a part of the record.

Chairman CARPER. Without objection. Thank you. And thank you for what you just said.

Senator COBURN. And the other thing we ought to do is have this hearing again tomorrow, since we are so good at duplication. [Laughter.]

Chairman CARPER. OK. I just would say, I feel fortunate that Tom and I have been given this opportunity to lead this Committee at this point in time. I feel fortunate that you are serving not a 2-year, 4-year, or 6-year term, but how long is your term? What is it, 10?

Mr. DODARO. Fifteen years.

Chairman CARPER. Fifteen years. We very much look forward to continuing to work with you and your team.

We have an opportunity to provide some really strong leadership here, bipartisan. I say to Dr. Coburn, if he and I can agree on something—and we agree on a lot—we can get a whole lot done, especially if we leverage our effectiveness by partnering with you and your team.

So, we welcome you. We welcome all of our guests this morning.

Our focus, as Dr. Coburn has indicated, is to examine GAO's latest overlap, duplication, fragmentation report and the Administration's implementation of the Government Performance and Results Modernization Act (GPRA). My thanks, as well, to Dr. Coburn and to his staff and to my own staff, for their help in putting this hearing together and for his 2010 amendment that originally tasked GAO with this important work.

Before we turn to the topic of today's hearing, I want to welcome to the hearing a group of participants in, I believe, the Acquisition Career Development Program at the Department of Homeland Security (DHS). I am told this is a terrific program that is training the next generation of acquisition specialists at the Department and I want them to know—we want them to know that this Committee will be very supportive of the job they will be doing to make

DHS a good steward of taxpayers' dollars. If you are here in the audience today and you are part of this program, would you just raise your hand. [Show of hands.]

All right. Thanks. Welcome. It is good to see you all.

I am also pleased to welcome members of GAO's International Auditor Fellowship Program to today's hearing. I believe there are 15 countries represented among this year's fellows. The program provides training to officials from other countries' auditing organizations and contributes to government accountability across the globe. I would just ask, are there folks here from that program today, as well? Would you raise your hand. [Show of hands.]

It is great to see you all. Welcome.

Particularly for our visitors, but for everyone else, as well, last month, the GAO released its latest report identifying some 17 areas where agencies may have overlapping objectives, are providing potentially duplicative services, or where government missions are so fragmented across multiple agencies or programs. The report also identified some 14 areas where opportunities exist to either reduce the cost of government operations or increase revenues.

The issuance of this report completes GAO's 3-year examination of the Federal Government to identify major instances of overlap, duplication, and fragmentation. In the three reports, GAO has provided hundreds of recommendations for Congress and the Executive Branch that, if implemented, have the potential to reduce waste significantly and to make our government more efficient and provide better service.

Some issues identified by GAO are relatively easy to fix. For example, in last month's report, GAO found that when the Department of Agriculture's Food Safety and Inspection Service began its catfish inspection program as mandated in the Food, Conservation, and Energy Act of 2008, the program will be performing the same work already conducted by the Food and Drug Administration (FDA) and by the National Marine Fisheries Service. The President's Fiscal Year 2014 budget, as well as legislation introduced in both the House and Senate, would eliminate the duplicative programs and could potentially save taxpayers millions of dollars annually.

Unfortunately, most of the issues discussed in GAO's three reports are much more complex and much more difficult to resolve. The issues cut across various departments and longstanding Federal programs that have entrenched constituencies and, in many cases, provide the public with much-needed services. Addressing these issues will require sustained leadership and congressional oversight. It is time, then, for Congress and the Executive Branch to roll up our sleeves and get to work addressing these issues.

Each Committee in the House and Senate should be using these reports as a roadmap to help plan their oversight of this session. I can tell you, that is what we are doing in this Committee. To help us in this task, GAO has also created an action tracker to monitor the progress that has been made by the Executive Branch and by Congress to address these issues that GAO examined in its first two duplication reports.

Unfortunately, as Dr. Coburn has indicated, results have been mixed. For example, the Executive Branch partially or fully ad-

dressed approximately 80 percent of GAO's recommendations while Congress partially or fully addressed only 32 percent. I would just say to my colleagues here in Congress and our friends in the Executive Branch that we can and must do better if we are to walk the walk and not just talk the talk.

At a time when we are fighting to create jobs and grow our economy while also grappling with historic budget deficits, the American people deserve a government that is smarter and more effective and efficient with its tax dollars that they entrust us with.

In addition to examining the issues identified in the new report, another goal of today's hearing is to examine how the Government Performance and Results Modernization Act, signed into law in 2011, can help Congress and the Executive Branch address inefficiencies, poor performance, and overlap, duplication, and fragmentation across the Federal Government. In all three of its reports, GAO highlighted how effective implementation of the Government Performance Act could help Congress and Federal agencies do that.

And I want to say, when we passed this legislation, I was not fully aware of the potential here, and we just have to make sure we do not waste that potential.

The Performance Act established a framework for performance management, for goal setting, and transparency. This improved transparency is something Dr. Coburn has pushed for since he came here. This improved transparency is desperately needed in the Federal Government where in so many areas neither Congress nor the general public know everything that Federal agencies are doing or how much programs cost. Let me just give you an example.

I think in GAO's 2011 report, you identified some 44 Federal employment and training programs that potentially overlap. GAO then examined the three largest programs and found that it was impossible to determine the extent to which individuals receive the same services from these programs. GAO was unable to do its work because the agencies lacked good information about their programs themselves, including basic funding and performance information.

As a recovering Governor, I know that you cannot manage what you cannot measure, and that is why the successful implementation of the Performance Act is so important. The Act requires agencies to set short-term priority goals, to continuously evaluate whether these goals are being met, and to address any problems that arise. This should help agency leadership identify low-performing programs and come up with solutions.

A few weeks ago, this Committee held a hearing on improper payments, something that Dr. Coburn and I have worked on for years with your help. The reason I bring it up today is that what we have done with improper payments, working with the Administration and a lot of others in the Executive Branch, is really similar to what I think our Committee needs to do with the Performance Act. On improper payments, we have been like a dog with a bone. And while improper payments are still high, they have come down a lot and we need to keep the pressure on, to keep the spotlight on. Improper payments are heading in the right direction, and that is down, but this has not happened by accident, and if we are going

to continue to make progress, it is going to be because of our continued collective vigilance.

Agencies have done an adequate job in implementing certain parts of the Performance Act, such as setting attainable short-term goals, giving quarterly progress reports on whether they are moving toward achieving those goals. However, there is a lot of work that still needs to be done to realize the full potential of the Act and we plan on using this Committee to fulfill our part of Congress' role in that shared effort.

And finally, while this report is often referred to as the Duplication Report from GAO, there are some significant savings that GAO has identified in the second part of each of these three reports, including several areas under this Committee's jurisdiction. These saving opportunities touch on areas such as contracting, cloud computing, and ways of improving agency management, like information systems. I am interested in hearing from the GAO about what oversight this Committee should be doing in these areas, as well.

And with that having been said, I am going to again welcome Gene Dodaro before us today, someone we have worked with for years, and just to say it is a joy to do that. I always look forward to your appearance and your testimony and to the opportunity to have just a real good conversation with you today.

I note that the guy who was supposed to be your sidekick, Danny Werfel, if we had to pay these guys by the appearance, we would run the Federal Government debt even higher, but you all have been terrific. Danny has a new job. He has been tapped by the President to be the Acting Commissioner of the Internal Revenue Service (IRS). I do not know what he did to deserve that, but it must have been something really bad.

But we appreciate your willingness today to speak out of both sides of your mouth, once for you and then once for Danny, and see if we cannot make some more progress here. Welcome. Your whole statement will be made a part of the record and then we will have the opportunity to ask questions. Dr. Coburn.

Senator COBURN. Yes. I just was going to comment that the reason Danny Werfel, I think, was chosen is because he has demonstrated integrity in everything he has done in the Federal Government. My hope is that he is there for a short period of time and back where we can use him in a better way. So I hope that is not a temporary permanent transfer and that he comes back, because he really has a base of knowledge that very few people have and has a common sense approach. So I am glad he is there for a short period of time, but I yearn for the day that he returns.

Chairman CARPER. I am Tom Carper and I approve this message. [Laughter.]

Gene Dodaro, please proceed.

**TESTIMONY OF HON. EUGENE L. DODARO,¹ COMPTROLLER
GENERAL OF THE UNITED STATES, U.S. GOVERNMENT AC-
COUNTABILITY OFFICE; ACCOMPANIED BY CATHLEEN A.
BERRICK, MANAGING DIRECTOR, HOMELAND SECURITY
AND JUSTICE, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. DODARO. Good morning, Mr. Chairman, Dr. Coburn.

Before I start my statement, Dr. Coburn, I first want to express my condolences and best wishes on behalf of myself and all of our colleagues in GAO on the recent tragic events in Oklahoma to you and the people of Oklahoma. So, best wishes.

With regard to our most recent report, as has been noted, we identified 31 new areas. Seventeen dealt with overlap, duplication, and fragmentation. I will mention three examples quickly.

First, at the Department of Defense (DOD), we noted camouflage uniforms for ground combat. Before, the Department had only two, one for desert and one for woodland. Now, they have seven additional uniforms, service-specific. They are missing opportunities, we estimate, to save up to \$82 million by joint purchases and going to common agreements, but an important aspect of this, also, in addition to the savings, is they are not ensuring equivalent level of protection for joint operations for the service members. So this has potential. We have made recommendations to save money and ensure equivalent protection.

Second, in the Medicaid Integrity Program we noted they had two contractors, one to review the contracts or the State payments to identify targets for audits, and then another contractor to go in and do the audits. We said, you do not need two. One will do. So in this case, I am happy to report, too, they recently decided not to extend the contracts for the auditors to do the review work, and that will save at least \$15 million. So that is one area that has been eliminated since our report has been issued.

The other area is geospatial investments. There are 31 different departments and agencies that purchase geospatial data. This is one where we did not even have to do a lot of digging. They admitted on their own they are making duplicative purchases in a number of areas, and this is an area where there is an agency group already, an interagency group, focused on trying to do this. But they are not implementing the policies and recommendations of the group and OMB does not have enough visibility through the budget process and proper reporting to spot the duplicative investments. So we have made recommendations to OMB and also to this interagency group to improve that coordination.

Now, in the 14 areas where we identified cost savings and opportunities, there are two examples I will give. First is the Medicare Advantage Quality Demonstration Program. This program is rewarding average performers. It does not have a good basis of comparison to know whether things are being improved. We have even questioned the legal basis on which they have implemented this program, which is different than the demonstration program that was approved by the Congress in the Patient Protection and Affordable Care Act. Now, when we first made this recommendation to cancel the program—and this is an area where we said, this ought

¹The prepared statement of Mr. Dodaro appears in the Appendix on page 45.

to be canceled—there were opportunities to save \$8.3 billion. So far, action has not been taken, but the Congress still has the ability to stop the program for 2014. That would save \$2 billion, according to our estimates.

The other example I would give is strategic sourcing. We have done a lot of work for this Committee, most recently a report released on the fact that commercial enterprises save from 4 to 15 percent annually by leveraging their purchasing power. We found the Federal Government is not taking opportunities to do this more extensively. They have done some, but it is not the bulk of their purchasing. So there are billions of dollars that could be saved here. If you apply the 4-percent to the amount spent on goods and services, that is a \$12 billion savings just for starters, but I think there is more to be done in this area.

Now, with regard to the areas we had recommended in 2011 and 2012, there were 131 areas. As Dr. Coburn noted, 12 percent have been acted on, 66 percent partially, and 21 percent not. A couple notable examples. Dr. Coburn mentioned the elimination of the Ethanol Tax Credit that duplicated the Renewable Fuel Standard. That prevented multi-billion dollars in revenue losses.

I would also point out the Moving Ahead for Progress in the 21st Century legislation that the Congress approved, which did consolidate the Surface Transportation programs. We had pointed out there were over 100, so that has consolidated them and put more performance metrics in place. We have said for years, we were not measuring the performance of those activities. So I thought that was good, as well.

Regarding the Administration, one of the things we had suggested—they had planned to extend the tours of military personnel in South Korea and send their dependents with them. We said, we do not think that is going to be a sustainable model for you. You need to do a business case. So they did the business case and they decided not to do that, avoided over \$3 billion in additional costs going forward.

But there is much that remains to be done. We have recommended the elimination of the Catfish Office that you mentioned in the Department of Agriculture. They have estimated they would spend about \$14 million to operate that program. So money could be saved, but importantly, people would not be subject to multiple inspections, either, in that case. And Congress has also given FDA additional authorities now to use risk-based approaches for doing those examinations.

We have recommended the elimination of the Auto Recovery Office, which was set up to provide support for the communities affected by the problems with the three automakers. That is still going. We do not see any reason for that. They have not justified what the communities are gaining as a result of their activity, so we have recommended elimination of that office, as well.

Now, since we have issued the report, there have been some other notable areas of progress. First, the House Oversight and Government Reform Committee has reported out this month a Federal Acquisition IT Reform Act, and part of that legislation would require an inventory of all the IT investments across the Executive

Branch, and to spot duplicative investments there, as well. So we think that is good.

Also, I would note that both of the bills marked up out of Committee so far for the reauthorization of the farm bill, both by the Senate Committee and the House Committee within the last couple weeks, have implemented elimination of the Direct Payment Program to farmers, which is one of the options that we recommended. The Congressional Budget Office (CBO) has estimated that would save \$4.5 billion, starting in 2015.

So we think there is some traction that we are continuing to get on this, but there is a long way to go, as both you, Senators Carper and Coburn, have pointed out. We are committed to continue to work with the Congress.

Now, I would say a word about the GPRA Modernization Act in closing my opening statement. First, the Act does provide, I believe, a lot of opportunities. The original Act in 1993 focused on individual departments and agencies, and it was needed because they were not developing strategic plans. They were not setting performance measures. But more and more activities need to be addressed across departments and agencies, and the Modernization Act of 2010 focuses on these cross-cutting efforts.

The Administration has identified 14 areas of cross-cutting importance. The Data Centers consolidation effort is one of them. The Science, Technology, Engineering, and Mathematics (STEM) is another one where we identified over 200 programs. The employment and training programs, veterans' programs, all these programs really need oversight, and I think the Act could provide a platform for this Committee to conduct hearings on those cross-cutting goals. This Committee is well suited to be able to do that and I think there needs to be oversight.

There is public reporting of the goals. GAO has a role in evaluating implementation of this Act. In fact, next month, we will issue our status report and what we are going to say is that the mechanics have been put in place. People have been given responsibilities. They are holding the quarterly meetings. But there is still little information to support the use of the performance measures for decisionmaking and there is room for improvement on the transparency in the public reporting of these results.

And, also, there needs to be more consultation with the Congress. That was the other requirement in the Act, and we have seen little indication that there has been meaningful consultation so far.

But we will be reporting in our final report on that. I would welcome the opportunity to come back and talk to you about the implementation of that Act in more detail, because I think unless there is serious congressional oversight, we are not going to see meaningful progress in the implementation of that legislation.

So, thank you for the opportunity to be here today and I appreciate it and I will be pleased to answer questions.

Chairman CARPER. Dr. Coburn, I am always amazed how this guy comes and testifies. There is a great movie, "Stand and Deliver." This guy sits and delivers, and without a note. I have said before, the one other person I saw do this in the time that we have been here was our current Supreme Court Chief Justice when he testified for days before the Judiciary Committee without a note

and just did it all right off the top of his head. I admire the way you are able to explain stuff so that even the rest of us can generally understand what you are talking about. And again, I get all caught up in the jargon and it is just so refreshing.

I want to talk about how we—first of all, just how we can maximize our effectiveness. You have the opportunity to look into the Executive Branch and, frankly, to look rather broadly across the Legislative Branch. Dr. Coburn and I hold hearings. Our Subcommittees hold hearings. Most of our Subcommittees just focus on investigations, and we do a lot at the full Committee level. But one of the things I almost always ask witnesses, whatever the issue is, if it focuses on inefficient spending, I always ask them to give us advice, like, what should we be doing more of, less of? We always, almost without exception, hear, do more oversight. Do more oversight.

Just by sending out a letter, a rumor that we are going to have a hearing, we have asked GAO for a report, can lead to change. And the announcement of the release of the report, we key off of that in order to have hearings. We do oversight. The media provides some attention to it. It is effective.

But just think about how we can be more effective. How can we be more effective, and just give us some good advice. You have done some, but just some more, particularly for this Committee, including the Senator from Alaska, who chairs one of our key Subcommittees who just joined us, as well. Give us some good advice.

Mr. DODARO. Yes, I would be happy to. In the short term, what I would suggest is there are some specific areas that we pointed out that this Committee is perfectly suited to tackle by itself, and then I will have some other recommendations on how you can work with some other Committees to deal with some of these issues.

First, strategic sourcing. I think it is a governmentwide issue.

Chairman CARPER. You mentioned that. That is a good one.

Mr. DODARO. That has huge potential.

Chairman CARPER. Let me just ask you a question. I mean, I wrote that down. You said it has the potential for saving billions of dollars. We agree. And we are not doing that. And I would just ask, why? Why do you think we are not?

Mr. DODARO. Well, there has not been—

Chairman CARPER. Maybe, how can we change the incentives so that—

Mr. DODARO. Right.

Chairman CARPER [continuing]. The folks who are making these decisions are incentivized to do that.

Mr. DODARO. Yes. First, I would focus on six departments and agencies that spend about 80 percent or maybe higher of Federal procurement.

Chairman CARPER. OK. That is a good place to start.

Mr. DODARO. So I would focus on those six agencies.

Chairman CARPER. What would they be, DOD, Homeland Security—

Mr. DODARO. DOD, Homeland Security, Energy Department, NASA—

Chairman CARPER. Transportation?

Mr. DODARO [continuing]. Agriculture, and VA. I got them right. OK. So those six, I would focus on. I would have them set goals and I would have the Administration set a governmentwide goal. I would put it in law and have them report on those goals, and I would ratchet the goals up every year, and I would conduct oversight to make sure they are achieving those goals.

This Committee and one of the Subcommittees did this in the personnel security clearance area. They held hearings. They forced goals. They put timeframes on it. And there were, I think, 12 hearings held. This was Senators Voinovich and Akaka. And, by gosh, they brought down the timeframes for clearances. There was top-level involvement by the Administration, OPM, OMB, DOD, the Director of National Intelligence (DNI), and they were able to get some results. So that is one example.

Data Center consolidation is another area. We have pointed out the Administration has moved in that area and some of the centers have been consolidated, but it is not clear they are saving any money. They have to eliminate some of the legacy systems and the Administration is not measuring that. So that is another area that I think this Committee—

Chairman CARPER. Why do you think they are not?

Mr. DODARO. Well, first of all, they do not have a lot of good information on baseline data which makes it difficult to measure incremental change.

Second, their incentives are backwards—because they think they are going to lose their budget and if they identify the savings, the appropriators will just cull the money out of their budget. So part of the problem is there are two fundamental incentives that are exactly the opposite of the way they should be in the government.

One is, if you save money, you should be rewarded, not the perception that you are penalized by having your budget reduced. That is a powerful one.

The second is, in order to kill a program, you have to demonstrate it is not working. People do not have to demonstrate that programs for which they are seeking funding are making a meaningful difference, and having empirical information to say that, yes, I can demonstrate this program is effective. Today, it is exactly the opposite of the way it should be. And that is one of the things I think congressional oversight could do.

Now, the other suggestion I have for you, the President has made a proposal in the Science, Technology, Engineering, and Mathematics Engineering area to consolidate some programs, to realign them within the Education Department (DOE), the National Science Foundation (NSF), and the Smithsonian Institution (SI), but they are also proposing some new programs and some additional funding. So I think this proposal has some potential but it is a governmentwide issue with significant reorganization aspects. The Administration is making the proposal and I think congressional oversight could be done with this Committee and perhaps in conjunction with other Committees.

Now, the last comment I would make is that one of the real reasons, I believe, why you do not see more meaningful progress in this area is the Administration is not postured to look across departments and agencies as much as it has to do to really effectuate

changes. Congress has multiple jurisdictions. Most of these areas we have pointed out with a lot of programs, there are many Committees involved—different Committees that need to work together to find a way to do this. So there is no ready platform within the Executive Branch or the Congress to be able to do this.

For example, we have recommended in the housing area they consolidate the Housing and Urban Development (HUD) housing program with the Agriculture lending programs. HUD is lending as much money in rural communities, more even, in some cases, than the Department of Agriculture. Agriculture is lending money in metropolitan areas. Those two programs could be combined, but there is no ready vehicle in either the Executive Branch or the Legislative Branch to make that happen.

The same thing on teacher quality programs. Eighty-two programs, 10 different agencies. You just need to organize better in order to tackle those problems.

And the other thing is that it is essential that this Committee provide oversight on the Government Performance and Results Act. One of our major handicapping items that we have had in making specific recommendations for elimination is you do not know in many cases which of these programs are working well and which are not because there is not enough objective performance information to be able to make those judgments. And so that is a major, major impediment to making greater progress in this area.

And I just, after watching these programs be implemented over several decades now, without sustained congressional detailed oversight on these programs, I do not have high confidence that you will see tremendous results.

Chairman CARPER. Before I yield to Dr. Coburn for his questions and then to Senator Begich, they have heard me quote former Federal Reserve Vice Chairman Alan Blinder a number of times, and Tom may have been there when he testified a year or so ago before the Finance Committee, talking about the 800-pound gorilla in the room on deficits is health care costs. If we do not do something to rein them in, we are doomed.

And I asked him, I said, what should we do about it? And his response was, "Find out what works and do more of that." And my rejoinder was, you find out what does not work and do less of that? He said, "Yes." But that was great advice. Great advice.

But the point you just made, if we do not know what works and if we are not measuring what works, we do not have the ability to make those judgments, and it is pretty hard to do more of that—

Mr. DODARO. Well, what I would suggest is that there are at least three fundamental reasons, I believe, that we have right now, and Dr. Coburn mentioned some of them.

One is that we have added programs over the years, over decades in some cases, to other programs.

But the other reason that has occurred is that we establish programs, let us say an employment training program to give training to people that are unemployed. And then all of a sudden somebody says, well, there is not enough attention being given to veterans, there is not enough attention being given to youth, there is not enough attention to Native Americans, and we create these additional programs.

I think you can safely, even without a lot of information, consolidate the programs to eliminate the administrative overhead and set goals, now that you have better measures in GPRA, for the broad-based programs and make them operate effectively in those cases.

So I think there are policy approaches and decisions that could be made even—I would not use the absence of performance information to not tackle the issues at this point. I think there are ways to do it and still protect the targeted groups that you are trying to help.

Chairman CARPER. Well, I am way over my time. Let me just mention one other thing before I yield to Tom. We have, throughout our Federal Government Executive Branch, we have what I call Executive Branch Swiss cheese. We have so many departments where there is—Homeland Security, I think, has about six senior positions that are either unfilled or filled by folks who are in an acting status. We have about six Inspector Generals (IGs), department IGs, that those positions are vacant across the Federal Government.

And even in OMB, where we share jurisdiction over OMB, we worked together to get Sylvia Burwell, an excellent nominee, confirmed as OMB Director. We are going to try to get Brian Deese reported out of Committee later today. His nomination still has to get reported out of the Budget Committee. But OMB, you have Sylvia Burwell leading it and we have an, I think, acting person as the Deputy OMB Director. We have an acting person as the head of the management side of OMB. We have an acting person as the head of the Office of Information and Regulatory Affairs (OIRA), the regulatory side. And now Danny Werfel is being detailed over from his Comptroller job over to run the IRS.

If we are interested in performance and actually for the Administration to do its job, there is nobody home.

Mr. DODARO. Right.

Chairman CARPER. And one of—well, there is somebody home. Sylvia is terrific. But we have to get a great team around her and find people to be IGs. It is not our job to find them to be IGs, although the Administration, I think, is willing to accept our ideas.

The other thought I have, we have all these new people coming in as cabinet secretaries. Most of them cannot spell GPRA and a lot of them do not have any idea what it is. And one of the things we may want to consider doing is, I do not know if you would have hearings, roundtables, private meetings, just to say, this is important. You may not have focused on this, but we want you to. And the idea of actually inviting cabinet secretaries to come in, particularly maybe the six or so you mentioned where the dollar consequences are so great, to do really good oversight, not in a confrontational way, but just really good oversight, consistent oversight.

I have taken too much time. Let me yield.

Senator COBURN. Well, Gene, thanks again for your testimony. What percentage of the programs that you all have looked at over the last 3 years actually have a metric performance unit on them?

Mr. DODARO. It varies by area. For example, in the STEM area, over the 200-some programs, 66 percent of them have not had an

evaluation since 2005. I think of the 47 employment training programs, only five had an evaluation since 2004. For the teacher quality programs, we found, that the Department of Education felt some of them were even too small to measure, and they had multiple funding streams going to individual teachers, so they could not tell which of the programs were more effective.

So it is a serious issue, Senator, as you know, and so I—

Senator COBURN. Why would we set it up to where you have to have an—why would we not design the—you know, here is the problem with Congress. Here is a program. We are going to put the metric on the program. You are going to have a continuous feedback loop on whether or not it is working. So you do not have to create a study to see if the program is working. You are going to know as you implement and run the program whether it is working because you have a metric as a part of it, which comes back to one of the biggest problems in Congress, is we leave way too much to the Administration. We do not get specific. And one of the reasons we do not get specific is we do not know enough about the issue, so we leave it up to those people who we think do.

The other problem I have is there is no definition in the Federal Government of programs, and we need one. OMB cannot manage something if they do not know it—as a matter of fact, nobody in the country, nobody in this country knows all the government programs. Is that a true statement?

Mr. DODARO. That is actually true. I mean, part of the Government Performance and Results Modernization Act was to have OMB create the inventory. Now, their approach so far, and it is supposed to be released the end of this month—

Senator COBURN. Right.

Mr. DODARO [continuing]. Is to let the agencies define the programs, which—

Senator COBURN. Which is crazy.

Mr. DODARO [continuing]. Which is not going to work long-term. And you are not going to be able to compare across departments and agencies.

Senator COBURN. So how well is the GPRA Modernization Act, going to work if you do not have a definition of “program”?

Mr. DODARO. It is going to be problematic.

Senator COBURN. That is right. So what we have to have is a definition of what a program is—

Mr. DODARO. Yes.

Senator COBURN [continuing]. Correct?

Mr. DODARO. Yes.

Senator COBURN. All right.

Mr. DODARO. We were planning to wait to see what comes out at the end of this month and then take a detailed look at it and see if we can make recommendations to make it more comparable across government, because if you do not have that, you are not advancing the ball very far.

Senator COBURN. Would you disagree with the concept that I have tried to put forward—I have not been successful—that before Congress creates a new program, they ought to check to see if it is going to duplicate an existing program out there?

Mr. DODARO. No, I do not disagree with that. I think it would be a good idea.

Senator COBURN. It is amazing. I cannot get that passed in the Senate. That is common sense.

I would also—let me take time to compliment the Administration. I actually think the Administration pays attention to the work you do, and President Obama and his team have made lots of great recommendations in their budgets. I do not necessarily agree with their numbers in their budgets, but a lot of the detailed policy stuff, they are paying attention to you, Gene, and they are trying to change some of this stuff and we need to give them credit for that effort, even though a lot of it is not going to be effective.

The other thing I would do is praise the House. They passed the SKILLS Act, which consolidated, I think, 36 of the job training programs into six, put metrics on every one of them and designed what they were, and we cannot even get that through the Health, Education, Labor and Pensions (HELP) Committee here. There is no effort. We have met the enemy and the enemy is us, because we will not do our work.

The other problem with GPRA that I see is performance metrics only work if you know all the programs so you can make a comparison. And if you do not know all the programs, you have some out there being measured and some not.

The other thing is, some say that the problem is breaking down silos. What you have demonstrated is that we need to eliminate some of the silos, not just break them down.

So this is a massive problem. Nobody can put their hands on it completely and be all knowledgeable about it.

You mentioned the job training programs. Here is the detail. We have 47 programs for non-disabled individuals. We have 50-some for disabled individuals. And only 5 of the 47 job training programs that you all surveyed had an impact study completed within the last 9 years. So only five do we know anything about, and the results were not very encouraging from the ones that we do know about. When you look at it, what your statement was, "Little is known about the effectiveness of most of the programs in this area."

So we are throwing \$19 billion out there every year for job training programs and your statement is there is little known about the effectiveness of most of these programs. That would say to me that Congress ought to get busy on this one area to try to attack and tackle some performance metrics in terms of job training.

We actually looked at—you have read our study on Oklahoma. We looked at all the Federal job training programs and then we looked at the ones run solely by the State with no Federal Government money. And what we found is the ones where Oklahoma is running them are actually highly effective at actually getting somebody a life skill to give them the capability to earn a living. And what we found on the Federal job training programs is they were highly ineffective, except we spend 20 times more money on Federal programs in Oklahoma than we do State money, and yet we have 20 times the performance on the State dollars.

So the American people have to ask us, what are we doing? How are we doing it? So what we are trying to do is build a base of

knowledge, and too many times, we do not want to know the answer. That is my frustration with my colleagues in the Senate. Why would we not want to know before we put a new bill on the floor of the Senate whether or not it is going to duplicate something that is already running? I mean, that is just good old Oklahoma common sense. Before you spend another nickel on something, one is how is the nickel that you are spending already doing, and two 2, are you duplicating something?

In this year's duplication report, you devoted about nine pages to the GPRM Modernization Act, but you do not make a case that it is actually the solution for the problem of duplication.

Mr. DODARO. It is not the sole solution. It is only a tool.

Senator COBURN. Yes. We have to produce a list of programs. The programs have to have metrics on them. You would agree with that?

Mr. DODARO. Oh, definitely.

Senator COBURN. Is there any program in the Federal Government that should not have a metric on it?

Mr. DODARO. I cannot think of one.

Senator COBURN. All right. Quarterly reviews—if Congress was doing its job, we would say, well, how are you doing on this, and every quarter, we would ask, tell us what the performance is.

One other thing I wanted to mention from your opening statement, we are going to have a new General Service Administration (GSA) Director, and when we looked at this in 2005 and 2006, Tom and I actually looked at it, what we found was—the Federal Government spends more money on everything than anybody in the world and we ought to get the best price. And you know what? We do not. Consolidating, looking at new ways of how you purchase things, I would love for you to have a sit-down with the new GSA Director, and hopefully he will invite you over, so that you can show, here is where you are not performing.

Then we give the flexibility to buy the most expensive rather than the least expensive to anybody. You do not have to buy the best deal for the American public if you are a Federal employee purchasing something. You can buy top-of-the-line, if you want. It is an internal justification.

The House of Representatives has a duplication rule they passed. You have to demonstrate you are not duplicating something before you put a bill on the floor in the House. Would you think that would be a good rule for the U.S. Senate?

Mr. DODARO. Yes.

Senator COBURN. All right. Where else—I guess I am over time. We will come back. I will yield to my colleague. I am sorry.

Chairman CARPER. Senator Begich, good to see you.

OPENING STATEMENT OF SENATOR BEGICH

Senator BEGICH. Thank you very much.

I want to add to what Senator Coburn just said there. Here is an example, even with the Senate. I found this so amazing. I am in the real estate business, have been for many years, so when it was time to get State office space, they tell me, yes, you can have some. You get 5,000 square feet. And I said, great. I will go figure that out through my Statewide situation. And then I say, how

much can I pay, or what is my limitation? There is not a limitation. The only limitation is how many square feet you get, which means you can get in an “A” quality building.

It is the most ridiculous thing I have ever seen from the real estate business for us as the U.S. Senate to have that as a policy. It is about square footage, not about the price. It goes contrary to exactly what Senator Coburn is trying—I mean, it is unbelievable.

I mean, so, of course, you get space, and I spent 9 months trying to get an additional 100 square feet within my 5,000 square feet working through GSA. In the private sector, if I would have been negotiating a 100-square-foot lease and it took me 9 months, I would be fired. I would not even exist in the business, because you only make 3 percent on that after a 5-year deal. It is nothing.

So I am—or, as I walk home every day and I walk past the House page building that is now empty—it is a beautiful building, It is right on E Street and First, a beautiful building. It is empty because they killed the page program 2 years ago and it sits there and we spend money maintaining this beautiful building. My personal view is it should just be opened up and rented out to the House members that cannot get space in this town for apartments. At least we make some money on it, is my personal view.

But I digress only because you got me thinking about this in a longer issue.

You mentioned the STEM, and I agree. I mean, I think it is 209 programs—

Mr. DODARO. Right.

Senator BEGICH [continuing]. Thirteen different agencies. The lack of measurement or metrics on the success of this is amazing to me when we are trying to compete in the world markets on STEM. So I want to thank you for kind of pointing out in your multiple reports, in your report with many different ideas. I mean, this was one example.

I remember I tried to do an employment program, take all the veterans’ employment programs and put them in the VA. It seemed kind of logical. The minute I suggested that, I had more people come from the Department of Labor to my office than I ever imagined worked there to explain to me why it was such a bad idea.

This may sound counterintuitive, but I want to get your thoughts. I am a former mayor. Would not a little more flexibility to the Administration help to make these decisions on consolidation and elimination? And we should do our job, which, what I have noticed here in 5 years, this Committee, actually, I am finding it very interesting and exciting. To be frank with you, it was not my request to be on the Committee a few years ago. It just was offered and I said, sure. But what Senator Carper is doing and Senator Coburn is doing is oversight, which is really the role of the U.S. Senate and U.S. House.

Would it not seem logical to give more flexibility to the Administration to say, look, you want to consolidate these 209 programs? You want to do this? Then what we do is quarterly, or whatever the time table, we do oversight, not crisis oversight, which is what we do great around this place. When something bad happens, we are now going to try to over-correct and usually screw it up even more.

So, would that not seem to be logical? I know it is counterintuitive, because you are saying the Administration can have more flexibility, but then if you add in there that there is a regular process of oversight, that could make sure the correction is there and the checks and balance are there. Give me your thoughts on that.

Mr. DODARO. Well, I think—there are a couple different approaches. The Executive Branch has not been given that authority since the Reagan Administration.

Senator BEGICH. Right.

Mr. DODARO [continuing]. And the last approach, this Administration proposed was saying, if you give us the authority, then we will tell you what we are going to submit. In the STEM area now, they have at least put a proposal on the table that could be discussed and deliberated.

Senator BEGICH. Right.

Mr. DODARO. My experience has been over the years that while you might want to give some flexibility, Congress needs to be careful in ceding its constitutional authorities in this area, and so I would exercise a little bit of caution—

Senator BEGICH. Sure. Good point.

Mr. DODARO [continuing]. In doing that, but there has to be more consultation. Part of the GPRA Modernization Act of 2010 was a required consultation on performance goals. But the same thing on reorganization proposals, because if Congress is not brought in the development of the proposal and does not like it, even if the Administration has the flexibility to go forward, it will create other programs outside that structure over time.

So I think in order for this to work well, there needs to be a consensus opinion on how to do it, Senator, it is a difficult issue, I grant you that, and it should be thought about, but it needs more dialogue.

Senator BEGICH. Do you think—and I want to followup with the Chairman's question, or not question, it was more of a comment on some of these positions that we have had vacant running these operations—do you think that has an impact in agencies in trying to make some moves and doing some things differently?

Mr. DODARO. Oh, definitely. I mean, I think that—

Senator BEGICH. Is it costing us money, do you think?

Mr. DODARO. Well, I do not know if it is costing money, but it is creating inaction in terms of trying to—

Senator BEGICH. Which, by definition, that is going to have a cost.

Mr. DODARO. That is a cost.

Senator BEGICH. I do not know if you can put a figure on it.

Mr. DODARO. Sure.

Senator BEGICH. But it has an impact on operations, delivery of services—

Mr. DODARO. There is no question about it. I think that is a big problem.

Senator BEGICH. Do you think—and I guess this is the question in a broader, and maybe you cannot answer this—I mean, the politics of trying to resolve some of these—like I said, every time I have mentioned something, some group comes out of the woodwork that I never knew existed. They are somehow some advocacy group.

And part of it is this body has a problem saying no, right? Is that not what—I do not want to get you into politics here— [Laughter.]

I think that is what Senator Coburn was kind of saying. I mean, we have a problem saying no, even when we know we have to do something different here because it is not working well. Like, this whole idea you mentioned, which I agree with this whole idea of purchasing, is astonishing to me.

The Municipality of Anchorage, where I was mayor, we teamed up with the State of Alaska to do joint purchasing. So they had an overall contract, open contract that we could get into, which we would get then the lowest price, because why? We are the platinum client. We actually write the checks and pay them. In the Federal Government, it is a little different. They write the checks and they print the money to pay them, but that is a different story. But the point is, we are platinum when it comes to any contractor.

I guess I am struggling, and you have to, I guess, give me your thoughts, because you have been around a lot longer than I have, and that is if I had staff members, department heads, telling me they just cannot do this, I would fire them. I would say, no, this is the goal. Go do it. I do not need my local city council telling me. This just makes sense, to purchase things in—my simpler way to describe it, buying in bulk at the lowest costs per unit—

Mr. DODARO. Right.

Senator BEGICH [continuing]. And using our purchasing power to do it. Am I missing something here?

Mr. DODARO. No, you are not missing anything. That is what should be done.

Senator BEGICH. Is there a lack of leadership, do you think?

Mr. DODARO. Well, I think the problem starts even from the beginning in terms of how we budget in the Federal Government. A classic example is, unlike most entities, you would figure out how much you want to spend, how much revenue you are going to have, and then how much you would have to borrow. We do not do that up front.

Senator BEGICH. You would have a capital budget. You would have an operating budget.

Mr. DODARO. Right.

Senator BEGICH. You would actually see—

Mr. DODARO. Right now, we bifurcate. The debt ceiling issue is outside that process. The debt ceiling does not have anything to do with limiting spending.

Senator BEGICH. Right.

Mr. DODARO. And it is an after-the-fact kind of decision made to pay bills, to borrow the money to pay the bills that have already been authorized. There is no up-front consequence of somebody saying, if we pass this set of appropriations, this budget for the Federal Government, we are going to have to borrow this amount of money. This is how much it is going to cost us. I mean, right now, debt held by the public is over 70 percent of Gross Domestic Product (GDP). For a 40-year average, it is 39 percent.

So I do not think people think about the consequences of the borrowing of the money and have that weigh into the decision on whether to fund a program. It is totally driven by whether there

is a need there, and I think that is, as Senator Coburn pointed out, that basically people are trying to do the right thing. There is a need. They want to fill the need. But nobody understands how much it is really going to cost in order to fill that need and what is the cumulative cost to the Federal Government.

And until that, becomes more crystallized in the decisionmaking, I think you are going to continue to see repeats of what we have seen in the past.

Senator BEGICH. Very good. Thank you, Mr. Chairman. Thank you very much.

Senator COBURN. [Presiding.] Thank you, Senator Begich.

Let me answer the question for you bluntly. When the Senate was created, the whole thought of our founders is that the Senators would think long-term, not parochially. That is why they were appointed by their State legislatures. In other words, the goal was to have a balance of long-term thinking for the country, and what we are seeing now occur, and it has for some number of years in the Senate, is we have become just as parochial as the House is, and the House was meant to be parochial. And so we have lost the countervailing weights of slowing things down. Our Founders wanted it to be hard to change things, difficult to change things, because they realized—and we are seeing liberty diminish as the government grows, and that is the consequence. They spoke about it prophetically when they founded this country.

And so, again, I will say, the problem is us, because just like you said, on the job training program, just to give you an example, you have very little demonstrated results in most of the job training programs, but they are defended harshly by the contractors that have the Job Corps programs and everything else, regardless of the fact that they have lousy outcomes. And it is because it is jobs. It is employment. It is votes.

And so if we do not make that disconnect of real leadership in the Senate by each individual Senator doing what is the right thing for the country in the long term—not the short-term political careers of the Members of Congress, but the best long-term thing for the country—what we do is we actually defy our own oath to uphold the Constitution.

Gene, I want to ask you about another question. It is something I have thought about a lot. And I actually agree with you in terms of changing this motivation for our agencies. We ought to give them the responsibility and authority to make great decisions, and we ought to be very specific how we do that. But when they have done a great job, we ought to let them keep some of the savings. In other words, we ought to allow a certain percentage of the savings to revert to the agency under the Secretary to actually use in areas they think are best for their areas of responsibility and to reverse that motivation.

Let me tell you a story about a commander at Altus Air Force Base. Last year, he saved \$16 million below his budget by performing things in-house rather than contracting them outside. Great job. It was not hard. He just said, “I know we are in a tight time. I am going to save the Air Force some money.” And so here is a guy that took his own troops, and what they could do, they did. What they absolutely had to contract outside, they did. But they

did it, and they did it for about a fifth of the cost of what their contracts would have cost.

But he got no benefit out of that for Altus Air Force Base other than benefiting the country. What we should have said is, if you save \$15 million, we are going to leave \$5 million there for you to do other things and you create that kind of an incentive program that is within the math.

That is all the more reason for us to have performance metrics, because if we are going to give increased flexibility, as Senator Begich suggests, and I think we should give some, you have to have a metric to show that it is actually—not one that can be gamed, not one that can be spun, where you actually have a metric where you can actually see what you are doing.

I talk with a lot of business leaders and every year, their goal is to do more with less. I mean, that is how you widen margins. That is how you widen gross margins. That is how you widen net margins. That is how you get innovation. You set up a necessity to try to think things outside of the box to do it in a different way so you can actually accomplish something at a lower cost.

We do not have much of that motivation in the Federal Government, and it is not that we do not have great employees, because we do. But we will not trust them with the ability to do that.

Now, will there be bad actors? Yes. But the benefit of actually trusting Federal employees to do things right and then conducting the oversight to make sure it is happening and let them have the responsibility and some of the rewards that come with that. What would you think if we had a bill that allowed that? There is only one agency that gets to do that now, and I think that is the Treasury Department. They get to keep whatever money they do not spend and spend it wherever they want. But they get to keep it all. It does not go back to the Treasury. What are your thoughts on that?

Mr. DODARO. I think that it would be a great thing to pilot in a number of areas and make sure that it works effectively and there is a demonstrated formula for success. I think if you try to do it too broadly, that there will not be enough followup and it will be difficult to manage it well to get the right outcome and it could have unintended consequences.

Senator COBURN. Well, you have to have metrics first.

Mr. DODARO. Right.

Senator COBURN. You have to demand metrics everywhere first.

Mr. DODARO. Right.

Senator COBURN. I mean, do you know any organization that is successful that executes a strategy that does not put a metric on the execution of that strategy?

Mr. DODARO. No.

Senator COBURN. Yet, 95 percent of the Federal Government has no metric on its strategy.

Mr. DODARO. We definitely need to do more in that area. There have been some efforts in the past to do what you are talking about, and it has been a number of years now. One model was Performance-Based Organizations, and we tried that experiment.

I will go back and look. We evaluated that and it did not really work effectively. I do not remember offhand what all the reasons were.

Senator COBURN. Probably because you did not have a metric.

Mr. DODARO. Yes. Well, I do not remember. I will have to go back and I will look at that. I will send you a summary of how we evaluated that, why it did not work, and then in designing any future efforts, maybe we can figure out a way, working together, to try to do what you want to do but structure it to achieve success.

Senator COBURN. Can you think of a way we can motivate our colleagues to take your recommendations and act on them? That is our biggest problem, obviously, from the chart I put up.

Mr. DODARO. Right. I have tried to meet with each of the Committees, and actually, our record is pretty good. About 80 percent of our recommendations get implemented over a 4-year period of time. That has been pretty constant. So I try to meet with all the Committee chairs.

I think we can maybe think of ways to increase our dialogue with the Committees, but until they have oversight and they focus on those areas, it is going to be somewhat limited. But I think with most of them, we have had good dialogue and they act on a lot of the recommendations.

It is just some of the areas that cross multiple Committees where it is difficult to try to conduct oversight and implement recommendations I have testified in the past on some joint hearings with different Committees. I think that could provide more motivation, Senator, and I think that is important in some of these areas. So I would encourage that kind of dialogue with your Committee, which has broad jurisdiction—pick one area, whether it is STEM or teacher quality or something like that and work on it.

Senator COBURN. Well, how many pieces of legislation have come out of the Congress in the last 3 years since you have been doing this review that we have asked for that have actually put a metric on the program?

Mr. DODARO. This Moving Ahead for Progress Act does not put a metric. It puts in process more requirements for metrics. So we will have to see how that works. I would have to go back and think about it. I cannot think of anything off the top of my head.

Senator COBURN. I cannot, either, which is the problem.

Mr. DODARO. Yes.

Senator COBURN. We continue to pass legislation. We continue to appropriate money. And every time you put real performance metrics on something, you get push-back. And so the real question is, we are not going to accomplish anything until we can actually measure what we are doing and assess what we are doing. And I would love your staff's thoughts on how we could maybe get that accomplished, because until you get metrics, until you know what you are doing, knowing whether what you are doing is working or not, you are not going to make the changes. And, of course, that is part of it. We actually lend a blind eye.

You talked about cross-jurisdictional. The Education Workforce Committee on the SKILLS Act could only address 36 of the 47 job training programs. So they have consolidated down to 6 those 36 with metrics, but it has not come out of the Senate. So here is a

great answer to one of your recommendations, actually solving some problems, saving some money, and making a real difference in people's lives, and the Senate has not worked on it.

How do we motivate? Could this Committee say, as you suggested, hold joint hearings with other Committees on a multitude of areas, or—

Mr. DODARO. I would suggest that. I think the other thing that is really going to motivate people is going to be the caps on discretionary spending. I mean, I just do not think that we are going to be—the financial pressures are enormous. I mean, my view is—in the out-years, our simulation showed just tremendous problems, and that we are going to exceed—absent changes in current policy, we are going to exceed debt held by the public as a percentage of Gross Domestic Product to go over 100 percent. If you use current baselines, CBO's estimates extended by us will be 2034. And if health care spending is not controlled, it could be 2028.

I mean, I think the fiscal pressures—if people understood the fiscal pressures in the future, that, to me, is part of the motivation. The second part of the motivation has to be to have a catalyst Committee to pull some of these Committees together to work jointly on the problems.

I think if there is a focused attention on some of these areas, that you could get consensus in a much quicker manner than will ever happen absent that, but—

Senator COBURN. Senator Begich described how we usually react in crisis rather than planning for the problems that are coming by doing affirmative things now rather than waiting until the fire is there.

Do you know if he has additional questions?

Mr. DODARO. One other thing, Senator. My staff just let me know that we have been—and your point about incentives, that we have been supportive of agencies keeping some of the proceeds from the real estate sales to encourage them to get rid of this excess real estate—

Senator COBURN. Right.

Mr. DODARO [continuing]. And we are seeing some bipartisan bills in the House to implement our recommendations in this area. So that is one area that I think this Committee could address. We are also getting a lot more questions from members on our overlap and duplication report than we ever had before. This year, I think, it is at an all-time high. I met with a couple of groups that are meeting together—

Senator COBURN. Right.

Mr. DODARO [continuing]. Bipartisan groups working on these issues. So I am encouraged that we are getting many more questions. The first one we issued, you had a press release. But this year, many more. I think people understand the fiscal pressures and are looking for solutions, and we are trying to work with whoever wants to work with us to implement these recommendations.

Senator COBURN. Well, I will just tell you that Speaker Boehner in the House, they are going to have over 200 oversight hearings based on your stuff, and they are ongoing now. So they are listening. So the question is, will it come out of the House and die over here?

Thank you, Mr. Chairman.

Chairman CARPER [Presiding.] And our job is to try to make sure, with your help, that it does not.

Dr. Coburn and our staffs have heard me talk about the culture in Federal Government. It is more of a culture of spendthrift, not a culture of thrift. And I think a lot in terms of how do we change incentives.

I just walked out of the meeting here to talk with the CEO of a major food company in America. We talked for 5, 10 minutes about obesity and how can we further incentivize people to take personal responsibility for their own health care so they do not end up weighing 350, 400, 500 pounds and basically bankrupting Medicare.

But part of it is to try to change the culture, to try to make sure that people know that it is not good for them to weigh 300, 400 pounds. It is not good for them. It is not good for our country. It is not good for Medicare. It is not good for our taxpayers.

One of the things that we are trying to do is figure out how to change the culture, how to provide the changes in incentives so that our goals are aligned with the incentives that we are providing.

I would like to, if I could use just a little humor here for a moment, I love to ask people who have been married a long time, Gene, I like to ask them, what is the secret? I was with a couple last night back in Delaware. They have been married 54 years. And I said to the husband and wife, what is the secret for being married 54 years? And the wife said to me—she pointed to her husband and she said, “He would tell you that the secret for being married 54 years is that he can be right or he can be happy, but he cannot be both.” [Laughter.]

One of the best answers I have ever heard, though—serious answer—was the two “C”s, the two “C”s, and that is communicate and compromise. Communicate and compromise. That is pretty good advice. Whenever I know somebody who is getting married, I send them a note if they are a friend and I always put those words of advice in there.

That is also good advice for a dynamic, durable democracy, to communicate and to compromise. There is another “C”, though, and my next question actually involves another “C” and the word is collaboration, and just to focus for a little bit on cross-agency collaboration, if I could.

GAO released a report a couple of months ago, I think it was in February, that found that agencies are doing a pretty good job in implementing data-driven performance reviews to drive performance improvement, one of the main goals of GPRA. However, GAO also found out and told us that agencies are not involving other relevant agencies in these reviews. And given the nature of cross-agency priority goals, agencies clearly need to coordinate to make progress toward those goals. Interagency collaboration is also an important step toward achieving individual agency priority goals, breaking down government silos and trying to reduce some of the duplication we are talking about here today.

Could you just take a minute or two and discuss with us how collaboration among agencies in performance reviews can help de-

crease or prevent overlap or duplication or fragmentation? We have been talking here earlier today about how we can work, this Committee, OMB, GAO, the Inspector Generals, and so forth, nonprofit groups, how we can collaborate among ourselves, but would you just talk with us a bit about collaboration among agencies in performance reviews with respect to duplication oversight and overlap.

Mr. DODARO. Well, first, it creates an awareness of the interrelationships. In many cases, like when we did the inventory of teacher quality programs at 10 agencies, nobody really knew what other agencies were doing. This is the issue of they know what they are doing, but they really are not aware. So the first thing is awareness that it is occurring in other agencies.

Second is sharing of experiences and good techniques that have worked and could be effective.

And third is getting joint metrics. I mean, part of the issue is that everybody, even if they have metrics, they are limited to output measures, not outcome. But there is no broad governmentwide goal that everybody is trying to achieve. Everybody is trying to achieve just little areas within their responsibility.

But, you know, let me give you an example of how it does not happen and why it should happen more. In the High-Risk Areas. I agreed to have meetings with Jeff Zients and the deputies or the head of the agencies on the High-Risk List on a regular basis. I agreed to personally participate in those meetings as long as they got the top people in the agency to be there. It took us over 2 years to get a meeting with the disability community on all the programs across the Federal Government that do it. And when we finally had the meeting, it was the first time that there was ever a meeting of all the different agencies that were working on disability areas across the government.

So, right now, in order for it to happen, agencies have to know about it in other agencies and then be able to work together and take the initiative. OMB really does not have the wherewithal and enough time and resources to make it happen and to ensure that it happens effectively. So, in my mind, you are relying on a lot of individual initiatives to be able to do this. There is really not an organizational structure to make sure it happens within the Executive Branch and that there is full accountability. So, I think many things get compromised out at the agency level rather than putting stretch goals in place and trying to reorganize things.

So, it is a very important area to deal with, but there needs to be some leadership. And part of the problem we always see is when you have interagency groups working together, even if there is a chairperson of the group, they do not have any authority. They do not have good strategic plans.

We have said this for this Food Safety Working Group, where we have identified that as being fragmented across the Federal Government. They meet. They have discussions. They share experiences. But they do not have—we have recommended that they put together a governmentwide performance plan to measure and have metrics and they have not done that yet.

So you need a combination of encouraging collaboration at the agencies, but you need some mechanism to hold them accountable and to focus on it within the Executive Branch.

Chairman CARPER. A related question. You have already answered it to some degree, but I want to pose it anyway and see if you want to add anything further. But, staying with collaboration, what other benefits may an agency gain by involving other agencies in their performance reviews?

Mr. DODARO. Well, I think you can make sure that you get everybody to the table that is appropriate there and then they could work on joint strategies and ensure some joint accountability and get some dialogue going and perhaps share resources, save money. But one of the issues you can also do is get clarity on greater roles and responsibilities that the people have for working together. So there are a lot of benefits to collaboration. But my sense is that you need to have more oversight and accountability to get more benefits out of it long-term, other than just getting people together to enhance awareness.

Chairman CARPER. Just kind of sticking with the theme here, I am going to stay with it for just a little bit, but moving from collaboration to cross-agency priority goals. The GPRA Modernization Act requires, as you know, the establishment of Federal Government priority goals. OMB calls these cross-agency priority goals. But how can these efforts help improve coordination and collaboration of fragmented and overlapping programs?

Mr. DODARO. Yes. Well, the first thing is it requires them to set governmentwide goals, so that is No. 1. In many cases, those did not exist before. So that is probably the most important element of the cross-cutting goals. And then there is accountability that could be achieved in that level, but there has to be more dialogue. And then there are requirements for continual reporting by the President to the Congress about the priority and I would encourage oversight over this.

Right now, it is in the formative stages where we are trying this new model across government and the President has proposed some goals. But unless the Congress engages in those cross-cutting goals and provides feedback regarding the goals and metrics on a governmentwide basis, then each agency's contribution could be there. So it has a lot of potential, but it has to be used—

Part of the problem is what we have found is there are a lot of efforts to try to set performance measures, but even when they are performance measures, they are not fully used within the Executive Branch or in the Congress. And so there needs to be more dialogue and the use of those that exist as well as, better measures. There is no question you need more measures and better measures. But if you do not use the ones you have right now or work to create new ones and set goals, nothing is going to happen.

I gave the example a little bit earlier about the personnel security clearances, but Congress there put a hard metric in place, that we want these background investigations and clearances done within 60 days. It was taking months before. And they are beating the goals now in order to do that. But that worked in a collaborative fashion, where those goals got set. They got set in law. But they had a process in place to be able to do it. These areas that have been set in the 14 goals right now, provide an adequate opportunity for that kind of engagement by the Congress to really sit down and work with the agencies.

We were part of the process that Senators Akaka and Voinovich set up in order to help set the goals for security clearances, along with the Executive Branch agencies, and then we went in and evaluated whether they were meeting the goals. So you had a built-in accountability check. So I think that provides a lot of good lessons learned on how to tackle these cross-cutting goals.

Chairman CARPER. OK. I am way over my time once again. I just want to mention this and then kick it back over to Dr. Coburn. But when I meet people who have done extraordinary things in their life, really successful people from this country and other places, I love to ask them, why have you been successful, and just to have them lay out why they think they are successful. The responses are illuminating and sometimes very helpful to me.

Another question I like to ask is, how do you measure success, and that is a question I ask here and in other venues, as well. How do you measure success? Too often, and I have found in government, particularly the Federal Government, we measure the wrong thing. We measure process. We may measure inputs. We do not measure outcomes and we do not measure results.

One of the things that we need to do a better job in our oversight role is to say, all right, how do we measure success? Let us talk about outputs. Let us talk about actually getting stuff done. And so you reminded me of that, and I would, having said that, yield back to Dr. Coburn.

Senator COBURN. Mr. Chairman, I am through. I just wanted to make one comment.

Your findings in your report this year talked about the National Technical Information Service (NTIS) selling reports to other agencies that are free on Google. She is going to put a little slide up. Seventy-five percent of everything they give to other agencies, you can get free on the Internet.

Mr. DODARO. I agree. It does not make sense.

Senator COBURN. Well, actually, the Department of Commerce—

Mr. DODARO. I am not going to defend it.

Senator COBURN. The question is, is the Administration doing anything about it?

Mr. DODARO. No, not that I am aware of.

Senator COBURN. And so the answer is, Commerce ought to send a note to every one of these agencies saying, all these things that you have been getting from us, and paying money for, by the way—

Mr. DODARO. Right.

Senator COBURN [continuing]. You can get free on the Internet, and here is where you get them. I do not know how many people we can save at NTIS, but the fact is, that is totally duplicative. It is kind of like the Death Master Files problem that we have.

Mr. DODARO. Right.

Senator COBURN. But here, all you have to do is search the Internet and you can get it instead of have your agency pay another agency—

Mr. DODARO. Yes.

Senator COBURN [continuing]. For information that is free out there.

Mr. DODARO. But it is a classic case, Dr. Coburn, of when something was set up. At the time it was set up, it made sense that there was not access and availability, but now there is and things just will not change. They need to make the changes. So we have made the recommendations. We will try to continue to followup on them—

Senator COBURN. This is the typical Reagan quote. The closest thing to eternal life on this earth is a government program.

Mr. DODARO. That is the case. And many of the ones we are pointing out—I do not want to say many, but some of the ones we point out were intended to be temporary programs, like the direct payments to farmers is one. They complete the task, even, in some cases, and then they try to add additional areas—

Senator COBURN. Well, it is like you mentioned on the assistance for the auto families.

Mr. DODARO. Right.

Senator COBURN. It does not need to be there anymore.

Mr. DODARO. No, it does not, and it could be eliminated. I mean, it is not a lot of money. It is a million dollars a year, but a million dollars is a million dollars.

Senator COBURN. A million dollars a year is how you get to a billion—

Mr. DODARO. Right.

Senator COBURN [continuing]. And multiple billions is how you get to a trillion and—

Mr. DODARO. Right. Yes. We appropriate a million at a time. We ought to be able to eliminate a million at a time. I mean, that is—

Senator COBURN. Eliminating is a lot easier.

Mr. DODARO. Yes. Right.

Senator COBURN. All right. Thank you, Mr. Chairman, for—

Mr. DODARO. One thing, Mr. Chairman. On your question, Dr. Coburn—my staff let me know that OMB must consult with this Committee on new goals every year in the cross-cutting areas, and so they are supposed to establish new ones for next year so that the consultation process should really be beginning right now. And I am concerned about the leadership gaps over at OMB and what that means for the governmentwide efforts that are going to occur, whether it is the GPRA Modernization Act, Data Center Consolidation, Federal real property. I mean, OMB was actively involved in those areas.

You do not have a Deputy for Management right now. You do not have a Comptroller right now. And so that area—and I am going to try to outreach to the OMB Director and try to work with her, and if the new Deputy for Budget gets put in place. But they are going to be focused a lot on the budget process, based on my experience. But I am going to try to do my best to try to work in that area, but I am concerned about it and I just wanted to underscore your concern about it and I think it is a valid concern.

Chairman CARPER. When the President nominated Sylvia Burwell to be OMB Director, I found out that she worked in the White House in the late 1990s and she had been Bob Rubin's Chief of Staff. She had been Erskine Bowles' deputy when he was Chief of Staff to the President in the second term of President Clinton.

And I found out that she had, for a couple years, been Deputy OMB Director.

And I called Erskine Bowles and I said, what can you tell me about Sylvia Burwell, and he said, "I have known people that have"—she is from West Virginia. He said, "I have known people that are that nice and have interpersonal skills that are that good. And," he said, "I have known other people who are just really smart, scary smart. And," he said, "I have known other people who were just really good at getting things done, a lot of things done at once. But I have never known one person who does all those things as well as she does."

And I think she has great potential, but she has to get a really strong team around her and part of that is the Administration nominating good people. I think Brian Deese has been nominated as the Deputy. I think he is one of those. He just nominated a fellow who I just met with this week to be head of the regulatory side, the OIRA side. I do not know that they have anybody in mind yet for what President Obama initially called his Performance Officer, which would be the OMB Deputy for Management.

But I think the Administration has a responsibility to find good people, convince good people to go through this nominating process. Unfortunately, it is not a pleasant process. When I was Governor of Delaware, I was nominated by President Clinton to become a member of the Amtrak Board. It was not fun. By the end of the process, I said to him, if I had known it was going to be this much headache, I would not have agreed to do it. And I love trains. I love passenger rail.

But we do not make it easy. In some cases, when people are willing to accept these nominations and go through the process, we hold them up for ridicule. They take time away from their jobs, their families, and then they get ridiculed in the end. It is just almost a poisonous situation, and then we prolong these processes for months. No wonder we have these vacancies and a lot of acting directors. It is not good if it is a Democratic President or a Republican President.

But there is an opportunity here at OMB for us to help the Administration to build a strong team, a team that we can work with, that you can work with, and we are determined to do that, and we take the next step later today by reporting out the name of Brian Deese out of Committee, and hopefully the Budget Committee will do the same thing very soon and we will get him in place and take it from there.

If you have some names of people you think that would be good, really good for the Administration to consider for the management side of OMB, the deputy that deals with the management side—I have a couple of ideas, I am sure you do, too—please share those names with us and certainly share those names with Sylvia Burwell. I think the relationship between the two of you, with her and you and our relationship, this is—if we are going to actually change the culture, obviously, the leadership of the President is important. But these relationships are critically important, as well.

GAO, next steps, and if you can bear with me for about another 10 minutes, we will be about ready to wrap it up.

But just looking ahead, I understand that your 2013 report basically completes this 3-year systematic examination across the Federal Government to try to identify fragmentation, overlap, and duplication. And let me just ask you if, looking ahead for GAO, what GAO's plans for next steps and for future work on these topics that you have identified as you try to fulfill your statutory mandate going forward.

Mr. DODARO. Yes. First, we will continue to look for opportunities and do individual reviews in targeted areas. We have completed, as you point out, our commitment to make the first 3 years, looking for all major areas across the Federal Government, but there are still areas that we think bear a little bit of scrutiny, so we will be targeting those areas over the next year and doing regular reviews.

Second, we will be providing an annual report, which the law requires, that would both highlight new areas that we have identified as well as providing a report card or status report on all the previous areas that we have recommended.

The other thing that we have not started yet, and I would like to, but it depends on how our resources end up in the appropriation process, is looking at overlap and duplication between Federal-State levels and perhaps local levels. I have had some conversations with the State auditors and local auditors and they think that there are some possibilities there, too. So we would be looking at that.

But, unfortunately, right now, our staffing level is the lowest it has been since 1935. We are down about 14 percent from 2010 levels. And so we just had our appropriation hearing yesterday on the Senate side and we have had it on the House side, so I have asked for some of that staffing to be restored because I think we provide a good return on the investment for the Congress and the country. So I am hopeful that will be the case.

Chairman CARPER. Who held that hearing?

Mr. DODARO. Senator Shaheen and Ranking Member Senator Hoeven was there, along with Senator Boozman is on that Committee.

Chairman CARPER. OK. Thank you.

Mr. DODARO. Senator Begich is also on that Committee, and I am going to be talking with him.

Chairman CARPER. Actually, we have cloned him so he is filling in any number of places. [Laughter.]

Mr. DODARO. Yes. So those are our next steps.

Chairman CARPER. All right. Good. Two more questions, if I could. The first deals with fragmentation versus overlap versus duplication. In your 2013 report, GAO created visual—here we go, you can see it on this chart¹—visual representations—I like to say a picture is worth a thousand words, but this is a pretty good picture here to describe when programs are fragmented, when there is overlap, and where there is actually duplication. I find these visuals to be helpful. Fragmentation on the left, overlap in the middle, duplication on the right.

But let us, if we could, just take a moment and look at fragmentation, which is on the left. In our Nation's biodefense efforts,

¹The chart referenced by Senator Carper appears in the Appendix on page 40.

numerous agencies have a unique stake, as you know, in bio-surveillance. Specifically, the Agriculture Department monitors plant and animal disease and the Centers for Disease Control (CDC) monitors human disease. In this case, the appropriate solution is not for Congress to eliminate all the programs but one, but rather for these agencies to try to strive to achieve better coordination among the programs.

An example of what was potentially overlap is in job training. One program might help veterans. A different program might help disabled folks. And while these programs might have similar goals, separate programs might make sense—I think they probably do—given the different needs of each customer base. And, once again, I believe the solution to solving the problem of overlap is not necessarily to eliminate all but one program or to consolidate the different programs into one large program. Rather, we need to determine which programs are performing the best, where there is unnecessary duplication, and how best to allocate the resources.

So with that as a context, let me just ask, to what extent would you say that the issues identified by GAO in these three reports fall into each of these different buckets, the fragmentation bucket, the overlap bucket, and the duplication?

Mr. DODARO. Yes. I would say we find most of the areas in the overlap and fragmentation area as opposed to the exact duplication area, and that is because we have been limited in our ability to find the duplication.

The way we look at this, Senator, is that we see fragmentation and overlap being harbingers of duplication if not addressed, and we do not put anything in the fragmentation area that we do not think has inefficiencies over time. But the overlap is where we have identified the most areas. Where we have identified duplication, say, in the Catfish Office and others, we have made recommendations to eliminate it. But I think there is probably more duplication than we were able to exactly hone in on because of limitations in performance information and cost information of the agencies.

For example, we identified over 600 different programs in the energy area, energy efficiencies, and we could not—there was not enough information to find out how many of those programs were duplicative. They did not keep the information necessary for us to be able to do that. So we focused on the wind area, there are 82 programs focused on using wind as an alternative energy source, and in 18 percent of those cases, we could not find anything out because they did not separate out the expenditures for wind versus other types of alternative energy. Then we did find seven of those programs, there was duplication. Now, the President has proposed to eliminate one of those seven programs in the budget submission. That is the way we have looked at it.

So I think there is more potential in duplication than what we have showed, but we have not been able to have the data necessary to do that.

Chairman CARPER. Good. Last question, and this one deals with coordination of research and development (R&D) at the Department of Homeland Security. In this year's report, you looked at R&D investments at the Department of Homeland Security and

found a lack of guidance that apparently has led to potential overlap and fragmentation. One of the problems that GAO found was that the Department of Homeland Security and its Science and Technology (S&T) Directorate had not developed a policy defining who was responsible for coordinating research and development.

I do not know if you could take a shot at this, but could you elaborate maybe on the root causes of the problems at the Department of Homeland Security and what the Department and this Committee ought to be doing to address these problems?

Mr. DODARO. Yes. I will ask Cathleen Berrick, who is the Managing Director of our Homeland Security and Justice areas, to elaborate, but part of the problem is we found six different components within the Department were letting these contracts. So you had a diffusion of responsibilities within the Department. I think there was a lot of urgency in the sense after September 11 to get contracts let during that period of time. Part of the problem was the formulation and integration of the Department as a new entity over a period of years. These were some of the reasons that led to the problem, and having an integrated management structure, which was one of the reasons we had put them on the High-Risk List.

But Cathy can elaborate more specifically.

Chairman CARPER. Good. Ms. Berrick.

Ms. BERRICK. Yes. I think one of the core causes relates back to the High-Risk designation that GAO has related to the management of the Department, and basically, we said that DHS needs to put more emphasis on strengthening its core management functions, including developing policies and procedures to strengthen those areas, and we are talking about acquisition management and financial management, information technology management, but also to coordinate those functions throughout the Department.

In the R&D area, there are three offices within DHS that have statutory authorities related to R&D. That is the S&T Office, it is the Coast Guard, and it is the Domestic Nuclear Detection Office (DNDO). However, other components within DHS legally are allowed to engage in R&D as long as they coordinate that R&D through the S&T Office.

The problem that has happened over the years is that R&D has not been coordinated, and so you have situations where multiple components are pursuing similar R&D efforts without coordinating those. One example is there were five separate contracts to explore R&D for advanced algorithms for explosive detection. Four were with S&T and one was with TSA. Those were not coordinated.

Another negative effect of this lack of coordination is that DHS does not have visibility over how much they are spending related to R&D. We looked at expenditures for R&D for fiscal year 2011, where in that year DHS had about \$750 million in outlays for R&D. We found another \$255 million that DHS was not aware of that they had spent on R&D.

So I think it gets back to this High-Risk Area of strengthening the management of the Department. Part of that is coordinating these management functions throughout the Department and making sure that the policies are being implemented consistently.

Chairman CARPER. All right. Good. Thanks.

I am going to—this will be my last point, my last question on this, but I just want to make sure I understand it. Who do you think—and Cathy, you can stay at the table, if you would—but who do you think should have this responsibility for coordinating R&D at the Department? I just want to make sure I understand it. Who do you think should be responsible for coordinating R&D at the Department?

Ms. BERRICK. The S&T Office, has the legal responsibility to do that. They have not been doing that as effectively as they should. They have some efforts where they will have agreements with specific components for certain R&D efforts. They also have what is called integrated product teams, but we think more needs to be done. When you talk to the components within DHS, the majority of the components feel that it is not clear how they are supposed to coordinate related to R&D.

So we think S&T needs to put out new policies that are very clear and explicit with the components on what the expectations are related to coordination, put some performance measures in place and follow through and make sure that these R&D efforts actually are being coordinated. S&T agreed with those recommendations.

Chairman CARPER. OK.

Mr. DODARO. Yes. In addition to that, I would suggest that the Under Secretary for Management, through the budget formulation process, make this crystal clear so it is visible.

For example, Cathy and her team identified \$225 million of spending in this area that was not visible to the Department. So while S&T has a responsibility for policies I think the Under Secretary for Management can create tools to reinforce that and create transparency and accountability for department-level management to support them. It is always difficult for these entities to deal with their peers across the department unless they have support from department leadership.

Chairman CARPER. Would that be support from people like former Deputy Secretary Jane Holl Lute, who has just stepped down?

Mr. DODARO. Yes.

Chairman CARPER. She just stepped down.

Mr. DODARO. Yes. It might—it will not help now.

Chairman CARPER. Yes, I know. I think she—Tom Coburn and I are big admirers of her.

Mr. DODARO. Yes.

Chairman CARPER. And I think she took very seriously her responsibilities with respect to management of the Department, as does the Secretary, and we regret her departure. I think she has gone back to work in the United Nations for a while on cyber issues.

But we are going to meet later today with Rand Beers, who is—on an interim basis, he is the Acting Deputy Secretary. And as I said earlier, it is like one of, I think, six, a half-dozen, senior positions that are in Homeland Security that are held by people that are in acting status.

But my understanding is Jane Holl Lute, when she has testified before us as Deputy Secretary of Homeland Security, she took very

seriously—I think the Department takes very seriously—the High-Risk List that GAO promulgates every other year. And my understanding is she has actually come and met with you and just gone through the list to see where they are making progress, where they are not, maybe some areas they think that you all need to rethink what you are doing. Was that helpful to them and to you?

Mr. DODARO. Oh, definitely. I mean, we had many discussions over the time she was there, and initially, they had questions about the specific things we thought they needed to do to be able to get off the list. So we sent a letter over—this was back in 2010, I believe—about a 29-page letter that spelled out everything that needed to be done. I think that was a breakthrough in our discussions and she reacted positively to that. They put a plan together.

After that, Rafael Borrás came on, and they have developed more detailed plans. And now, on a regular basis, Cathy meets with them, and I have met with Jane. I met with the Secretary. I met with Rand Beers when he was head of the transition team over there before. And so we have had an ongoing dialogue that I think has really been very helpful and they have made good progress as a result of that.

I try to do that with every department and agency that is on the High-Risk List, and our team, to be able to do that. And then we also have had these joint meetings with OMB that I mentioned earlier, with the agencies on the list, and we had some of those with the Department of Homeland Security, as well. And Jeff Zients was very helpful in that regard, as well as Jane.

Chairman CARPER. OK. Well, we have probably taken enough of your time today. I just want to conclude by giving you a chance to maybe offer a thought or two in closing, something that we talked about, something you would like to just underline, put an exclamation point after, reemphasize, and then I will give the benediction and we can think about going to have some lunch.

Mr. DODARO. OK. I would just close with two things. One, I think that the congressional oversight in these areas is pivotal to making progress in addressing the overlap and duplication area. I would encourage you to think outside the box and working with other Committees to bring about positive change in this area, and also with the Budget and Appropriation Committees, who have broader jurisdiction over some of these areas.

And then, second, I would say that the successful implementation of the GPRA Modernization Act, will not happen without this Committee's sustained congressional oversight over the years. I think it is pivotal that begin now and occur on a sustained basis, particularly in a number of targeted areas, both on the cross-cutting governmentwide goals that are set in place and also having agencies identify fully who they should be dealing with over time. Also by making sure OMB is playing an appropriate role in assuring that this is implemented appropriately on a cross-cutting basis, not just by the Deputy for Management and the management team, but through the budget process. I think the budget process offers a powerful tool for dealing with these issues and OMB should use metrics and measures in deciding how to propose how resources be allocated to the Congress to begin with.

So if you get that process in place and you get congressional oversight, then I think we will have a fighting chance to make much more headway in these areas.

Chairman CARPER. Good. All right. This has been illuminating and enjoyable, and again, we are just very grateful for everyone, including the people that are here with you—Cathy, thank you—and others who are not here at GAO.

I have taken a note that I need to talk to Senator Shaheen and Senator Hoeven, and I will try to do that later today.

Going back to the Department of Homeland Security, one of the, I think, areas maybe in the President's budget, I think they may have actually trimmed back the money that the President is proposing for management in DHS, including at the under secretary level, and we do not think that is a smart decision. So, hopefully, we can take the invitation from Senator Landrieu, who chairs the Appropriations Subcommittee for Homeland Security, and try to get that number back to a better place.

But this hearing record will remain open for 15 days—that is until June 6 at 5 p.m.—for the submission of statements and questions for the record.

I want to thank our staffs for helping to prepare for this and for your willingness to sit in for yourself and Danny Werfel here today and do an admirable job. I guess you had Cathy's help. But you did an admirable job pinch-hitting for him, as well.

With that, this hearing is adjourned. Thanks so much.

[Whereupon, at 11:53 a.m., the Committee was adjourned.]

A P P E N D I X

Opening Statement of Chairman Thomas R. Carper

“Performance Management and Congressional Oversight: 380 Recommendations to Reduce Overlap and Duplication to Make Washington More Efficient” May 22, 2013

As prepared for delivery:

Good morning. My thanks to our witness and guests for joining us today to examine the Government Accountability Office's (GAO) latest overlap, duplication, and fragmentation report and the Administration's implementation of the Government Performance and Results Modernization Act. My thanks as well to Dr. Coburn and his staff for their help in putting this hearing together, and for his 2010 amendment that originally tasked GAO with this important work.

Before we turn to the topic of today's hearing, I want to welcome to the hearing a group of participants in the Acquisition Career Development Program at the Department of Homeland Security. This is a terrific program that is training the next generation of acquisition specialists at the Department. I want them to know that this Committee will be very supportive of the job they will be doing to make DHS a good steward of taxpayer dollars.

I'm also pleased to welcome members of GAO's International Auditor Fellowship Program to today's hearing. There are 15 countries represented among this year's Fellows. The program provides training to officials from other countries' auditing organizations and contributes to government accountability across the globe.

Last month, the GAO released its latest report identifying 17 areas where agencies may have overlapping objectives, are providing potentially duplicative services, or where government missions are fragmented across multiple agencies or programs. The report also identified 14 areas where opportunities exist to either reduce the cost of government operations or increase revenues.

The issuance of this report completes GAO's 3-year examination of the federal government to identify major instances of overlap, duplication, and fragmentation. In the three reports, GAO has provided hundreds of recommendations for Congress and the Executive Branch that, if implemented, have the potential to reduce waste significantly and make our government more efficient.

Some issues identified by GAO are relatively easy to fix. For example, in last month's report GAO found that, when the Department of Agriculture's Food Safety and Inspection Service begins its catfish inspection program as mandated in the Food, Conservation, and Energy Act of 2008, the program will be performing the same work already conducted by the Food and Drug Administration and by the National Marine Fisheries Service.

The President's Fiscal Year 2014 Budget, as well as legislation introduced in both the House and Senate, would eliminate the duplicative programs and could potentially save taxpayers millions of dollars annually. Unfortunately, most of the issues discussed in GAO's three reports are much more complex and difficult to solve. The issues cut across various departments and long standing federal programs that have entrenched constituencies and, in many cases, provide the public with much-needed services.

Addressing these issues will require sustained leadership and Congressional oversight. It is time, then, for Congress and the executive branch to roll up our sleeves and get to work solving these issues. Each Committee in the House and Senate should be using these reports as a roadmap to help plan its oversight for this session. I can tell you that is what we are doing on this Committee.

To help us in this task, GAO has also created an 'Action Tracker' to monitor the progress that has been made by the executive branch and Congress to address the issues that GAO examined in its first two duplication reports. Unfortunately, results have been mixed. For example, the executive branch 'partially or fully addressed' approximately 80 percent of GAO's recommendations while Congress 'partially or fully addressed' only 32 percent. I would say to my colleagues here in Congress and my friends in the executive branch that we can must do better if we are to walk the walk and not just talk the talk.

At a time when we're fighting to create jobs and grow our economy while also grappling with historic budget deficits, the American people deserve a government that is smarter and more effective and efficient with the tax dollars they entrust to us.

In addition to examining the issues identified in the new report, another goal of today's hearing is to examine how the Government Performance and Results Modernization Act, signed into law in 2011, can help Congress and the executive branch address inefficiencies, poor performance, and overlap, duplication, and fragmentation across the federal government. In all three of its reports, GAO highlighted how effective implementation of the Performance Act could help Congress and federal agencies do just that.

The Performance Act established a framework for performance management, goal setting, and transparency. This improved transparency is desperately needed in the federal government, where in so many areas neither Congress nor the general public knows everything that federal agencies are doing or how much programs cost.

Let me give you an example:

In GAO's 2011 report, GAO identified 44 federal employment and training programs that potentially overlapped. GAO then examined the three largest programs and found that it was impossible to determine the extent to which individuals receive the same services from these programs. GAO was unable to do its work because the agencies lacked good information about the programs themselves, including basic funding and performance information.

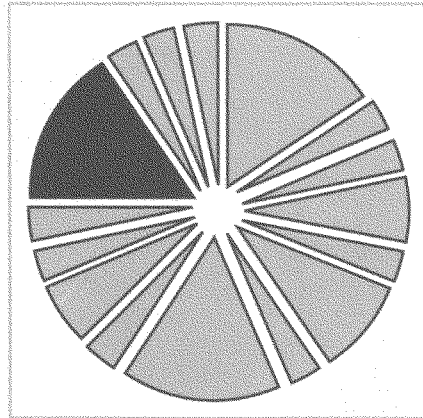
As a former Governor, I know that you can't manage what you can't measure. That's why the successful implementation of the Performance Act is so important. The Act requires agencies to set short term priority goals, to continuously evaluate whether these goals are being met, and to address any problems that arise. This should help agency leadership identify low performing programs and come up with solutions.

A few weeks ago, this Committee held a hearing on improper payments. The reason I bring up that hearing is I see what we have done with improper payments in Congress and in the executive branch as being similar to what this Committee must do with the Performance Act. Now, improper payments are still high, but they are trending in the right direction – downwards. This hasn't happened by accident, it has taken sustained effort on the part of successive administrations and significant Congressional oversight.

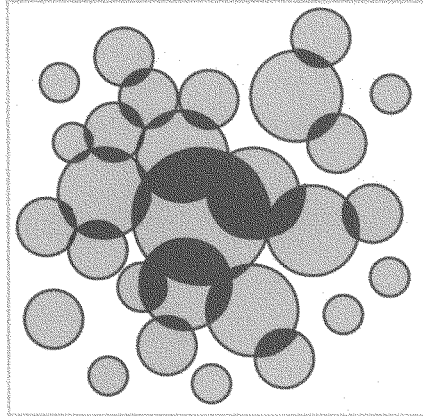
Agencies have done an adequate job in implementing certain parts of the Performance Act such as setting attainable short term goals and giving quarterly progress reports on whether they are moving towards achieving those goals. However, there is a lot of work that still needs to be done to realize the full potential of the Act. I plan on using this Committee to fulfill our part of Congress's role in that shared effort.

Finally, while this report is often referred to as the 'duplication' report, there are some significant savings that GAO has identified in the second part of each of these reports, including several areas under the Committee's jurisdiction. These savings opportunities touch on areas such as contracting, cloud computing, and ways of improving agency management of information technology systems. I am interested in hearing from the GAO about what oversight this Committee should be doing in these areas as well.

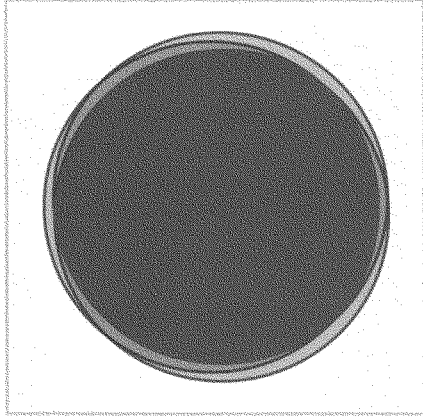
Fragmentation refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities exist to improve service delivery.



Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.



Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.



Source: GAO.

Opening Statement of Senator Tom Coburn**“Performance Management and Congressional Oversight: 380 Recommendations to Reduce Overlap and Duplication to Make Washington More Efficient”
May 22, 2013**

Today the committee welcomes our distinguished guest from the Government Accountability Office (GAO), who is here to discuss a topic of great importance to me, to this committee, and to our nation’s long-term fiscal health.

The GAO recently released its third annual report detailing extensive duplication in government programs and other areas of billions of dollars in potential taxpayer savings.

Comptroller General Dodaro and his staff should be commended for their excellent work and dedication to such a large endeavor, one few others in Washington are willing to undertake. Just as a gardener’s weeding never ends, the only way to be rid of duplication in government is through constant oversight and action.

Some historical perspective is useful. In 1909, the *Washington Post* reported that “the government was spending thousands of dollars unnecessarily; that work was being duplicated in various departments and the introduction of some system was badly needed.” Now a hundred years later, the only difference is the thousands have transformed into tens of billions.

GAO’s three reports have identified a quarter of a trillion dollars in duplication. In one example, GAO found that the National Technical Information Service, NTIS, was selling reports to other federal agencies that are available for free on the Internet. In fact, 75% of the reports that NTIS sold to the government could be found with a simple search on Google, for free. Not only is the government purchasing reports that are free, there is an entire department with administrators and overhead that run it.

GAO has made 380 recommendations for actions that Congress and the Administration can make today to address or mitigate the problems it has identified. Though the Executive Branch can do better, Congress is the main culprit in creating and continuing countless duplicative programs. We create programs, refuse to apply metrics to them, and then ignore our duty to conduct the oversight needed to ensure programs work.

Worse still, we don’t bother to learn about existing programs before creating new ones. Despite the thousands of federal programs, when programs don’t work, Congress’s response is just to create a new program.

The GAO series of duplication reports found dozens of areas ripe for reform, if only members on both sides of the aisle will find solutions. And yet, the GAO report released last month, as our report card shows, demonstrates Congress' unwillingness to do the work to address duplication.

Of the 131 areas outlined in the first two GAO reports, Congress and the Administration have only fully addressed 16 areas, only 12 percent of the areas identified. When I was in school, getting a 12 percent on anything meant you got an "F".

Even more, since release of GAO's first report on duplication, the Senate has twice rejected bipartisan legislation aimed at preventing future duplication. I recently reintroduced this legislation, with Senator Mark Udall. It would require the Congressional Research Service to identify all similar existing federal programs whenever Congress proposes creating new ones.

I would also urge every congressional committee to eliminate the duplication, waste and overlap identified by GAO within their committees' respective jurisdictions.

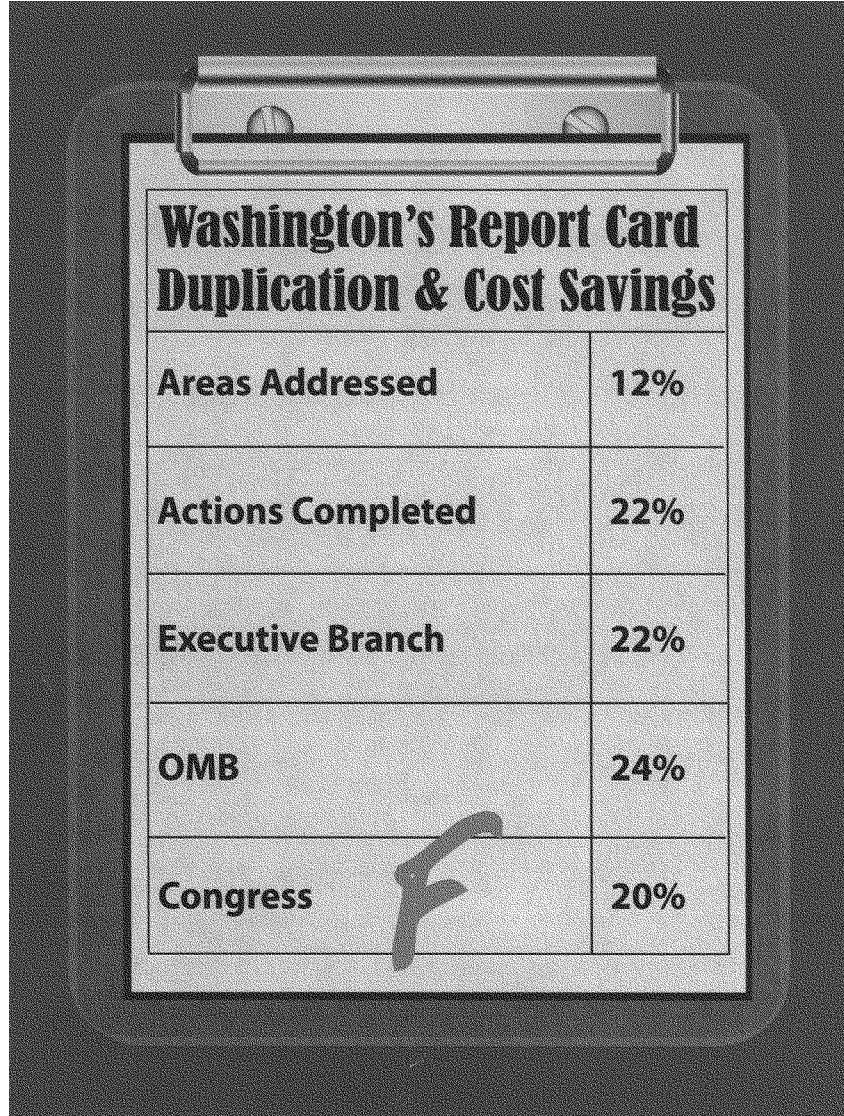
This administration also has to do its part. So far the president's budget proposes eliminating several the duplicative catfish programs exposed by GAO. Good start but they need to go further.

Finally, the GPRA Modernization Act of 2010 required OMB to compile a list of all government programs. Amazingly, the federal government doesn't have a list of all government programs. In this year's duplication report, GAO indicates that this list will be an invaluable tool to identify duplication. Unfortunately, OMB did not require agencies to use a common definition of what the word "program" even means.

This nation is staring into a future of trillion-dollar deficits and a national debt quickly headed toward \$20 trillion. We are not on the verge of bankruptcy—we are bankrupt. We have maxed out our own credit cards and are now living off our children's credit cards.

Despite countless bipartisan discussions about how to address our debt and deficit over the last three years, there has been little agreement. But, before us today, we have part of the answer. In essence, the GAO's work has become Washington's new GPS system to start finding savings, potentially hundreds of billions of dollars. That is if only Congress can start following directions.

For the sake of our nation's future, in the coming days and weeks, it is my hope Congress and the administration will this time work together to implement these recommendations and heed the advice found in the pages of this report.



Washington's Report Card Duplication & Cost Savings	
Areas Addressed	12%
Actions Completed	22%
Executive Branch	22%
OMB	24%
Congress	20%

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United States Government Accountability Office



Testimony before the Committee on
Homeland Security and Governmental
Affairs, U.S. Senate

For Release on Delivery
Expected at 10:00 a.m. EDT
Wednesday, May 22, 2013

GOVERNMENT EFFICIENCY AND EFFECTIVENESS

Opportunities to Reduce Fragmentation, Overlap, and Duplication through Enhanced Performance Management and Oversight

Statement of Gene L. Dodaro
Comptroller General of the United States

GAO Highlights

Highlights of GAO-13-590T, a testimony before the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

As the fiscal pressures facing the nation continue, so too does the need for executive branch agencies and Congress to improve the efficiency and effectiveness of government programs and activities. Opportunities to take such action exist in areas where federal programs or activities are fragmented, overlapping, or duplicative.

To highlight these challenges and to inform government decision makers on actions that could be taken to address them, GAO is statutorily required to identify and report annually to Congress on federal programs, agencies, offices, and initiatives, both within departments and government-wide, that have duplicative goals or activities. GAO has also identified additional opportunities to achieve greater efficiency and effectiveness by means of cost savings or enhanced revenue collection.

This statement discusses the (1) new areas identified in GAO's 2013 annual report; (2) status of actions taken by the administration and Congress to address the 131 areas identified in GAO's 2011 and 2012 annual reports; (3) President's April Fiscal Year 2014 Budget submission and recently introduced legislation; and (4) strategies that can help address the issues GAO identified.

View GAO-13-590T. For more information contact Orice Williams Brown or A. Nicole Clowers at (202) 512-8678.

May 22, 2013

GOVERNMENT EFFICIENCY AND EFFECTIVENESS

Opportunities to Reduce Fragmentation, Overlap, and Duplication through Enhanced Performance Management and Oversight

What GAO Found

GAO's 2013 annual report identifies 31 new areas where agencies may be able to achieve greater efficiency or effectiveness. Seventeen areas involve fragmentation, overlap, or duplication. For example, GAO reported that the Department of Defense could realize up to \$82 million in cost savings and ensure equivalent levels of performance and protection by taking action to address its fragmented approach to developing and acquiring combat uniforms. Additionally, GAO reported that a total of 31 federal departments and agencies collect, maintain, and use geospatial information. Better planning and implementation could help reduce duplicative investments and save of millions of dollars.

The report also identifies 14 additional areas where opportunities exist to achieve cost savings or enhance revenue collections. For example, GAO suggested that Department of Health and Human Services cancel the Medicare Advantage Quality Bonus Payment Demonstration. GAO found most of the bonuses will be paid to plans with average performance and that the demonstration's design precludes a credible evaluation of its effectiveness. Canceling the demonstration for 2014 would save about \$2 billion. GAO also noted opportunities to save billions more in areas such as expanding strategic sourcing, providing greater oversight for Medicaid supplemental payments, and reducing subsidies for crop insurance. Additionally, GAO pointed out opportunities for enhancing revenues by reducing the net tax gap of \$385 billion, reviewing prices of radioactive isotopes sold by the government, and providing more equity in tobacco taxes for similar types of products.

The executive branch and Congress have made some progress in addressing the areas that GAO identified in its 2011 and 2012 annual reports. Specifically, GAO identified approximately 300 actions among 131 overall areas that the executive branch and Congress could take to reduce or eliminate fragmentation, overlap, or duplication or achieve other potential financial benefits. As of March 6, 2013, the date GAO completed its progress update audit work, about 12 percent of the areas were addressed, 66 percent were partially addressed, and 21 percent were not addressed. More recently, both the administration and Congress have taken additional steps, including proposals in the President's April Fiscal Year 2014 Budget submission.

Addressing fragmentation, overlap, and duplication will require continued attention by the executive branch agencies and targeted oversight by Congress. In many cases, executive branch agencies have the authority to address the actions that GAO identified. In other cases, such as those involving the elimination or consolidation of programs, Congress will need to take legislative action. Moreover, sustained congressional oversight will be needed in concert with the Administration's efforts to address the identified actions by improving planning, measuring performance, and increasing collaboration. Effective implementation of the GPRA Modernization Act of 2010 also could help the executive branch and Congress as they work to address these issues over time.

Chairman Carper, Ranking Member Coburn, and Members of the Committee:

We appreciate the opportunity to discuss our 2013 annual report, which presents 31 new opportunities to reduce fragmentation, overlap, and duplication, as well as achieve other financial benefits. It also presents the results of our efforts to follow up on progress made by executive branch agencies and Congress in addressing the areas we identified in our 2011 and 2012 annual reports. Through these three annual reports, we have completed a systematic examination to identify major instances of fragmentation, overlap, or duplication across the federal government. In light of today's challenging fiscal environment, we have also identified additional opportunities to achieve greater efficiency and effectiveness by means of cost savings or enhanced revenue collection.

My testimony today describes the (1) new areas identified in our 2013 annual report; (2) status of actions taken by the administration and Congress to address the 131 areas identified in our 2011 and 2012 annual reports; (3) President's April Fiscal Year 2014 Budget submission proposals and recently introduced legislation; and (4) strategies that can help address the issues we identified. My comments are primarily based upon our three annual reports and related testimonies as well as our body of work on managing for results.¹ The work upon which these reports were based was conducted in accordance with generally accepted government auditing standards.

In summary, our 2013 annual report identifies 31 new areas where agencies may be able to achieve greater efficiency or effectiveness. Although it may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, our report identifies 17 areas of fragmentation, overlap, or duplication where multiple programs and activities may be creating inefficiencies. Figure 1 illustrates the definitions we use for fragmentation, overlap, and duplication for this work. The

¹GAO, *2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-13-279SP (Washington, D.C.: Apr. 9, 2013); *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington D.C.: Feb. 28, 2012); and *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

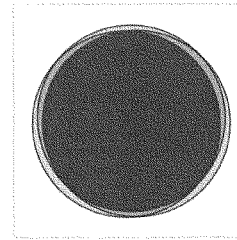
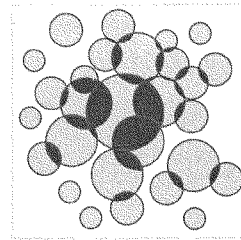
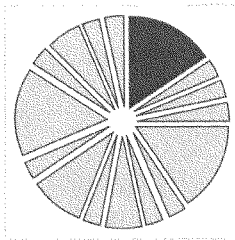
report also identifies 14 additional areas where opportunities exist to achieve cost savings or enhance revenue collections. Within these 31 areas, we identify 81 actions that the executive branch or Congress could take to address the issues we identified.

Figure 1: Definitions of Fragmentation, Overlap, and Duplication

Fragmentation refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities exist to improve service delivery.

Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.

Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.



Source: GAO.

The executive branch and Congress have made some progress in addressing the areas that we previously identified. In our 2011 and 2012 annual reports, we identified approximately 300 actions among 131 overall areas that the executive branch and Congress could take to reduce or eliminate fragmentation, overlap, or duplication or achieve other potential financial benefits. As of March 6, 2013, the date we completed our progress update audit work, about 12 percent of the 131 overall areas were addressed; 66 percent were partially addressed; and 21 percent

were not addressed.² Within these areas, about 21 percent of the approximately 300 individual actions were addressed, 48 percent were partially addressed, and 28 percent remain not addressed, highlighting the need for sustained attention and leadership.³ More recently, both the administration and Congress have taken additional steps that appear consistent with some of our previously suggested actions.⁴

Addressing issues of fragmentation, overlap, and duplication will require sustained attention by the executive branch agencies and Congress. In the majority of cases, executive branch agencies have the authority to address the actions that we identified, and could do so by, for example, improving planning, measuring performance, improving management oversight, and increasing collaboration. In other cases, Congress will need to be involved through their legislative and oversight activities as well as other strategies. Additionally, the performance planning and reporting framework originally put into place by the Government Performance and Results Act of 1993 (GPRA), and significantly

²In assessing overall progress for an area, we determined that an area was "addressed" if all actions in that area were addressed; "partially addressed" if at least one action needed in that area showed some progress toward implementation but not all actions were addressed; and "not addressed" if none of the actions needed in that area was addressed or partially addressed. Percentages do not add to 100 percent because we assessed one area as "consolidated or other." See GAO-13-279SP for more information on our scope and methodology.

³For congressional actions, we applied the following criteria: "addressed" means relevant legislation has been enacted; "partially addressed" means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation only addressed part of the action needed; and "not addressed" means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. For executive branch actions, "addressed" means implementation of the action needed has been completed; "partially addressed" means a response to the action needed is in development, but not yet completed; and "not addressed" means that minimal or no progress has been made toward implementing the action needed. We are not assessing 9 actions this year that were previously included in our 2011 and 2012 reports. Based on subsequent audit work that we conducted, these actions have been consolidated, redirected from a congressional to an executive branch action, or revised to reflect updated information or data that we obtained. Further, 16 actions reported in 2011 and 2012 were revised this year due to additional audit work or other information we considered.

⁴We will assess the extent to which these steps address our suggested actions and update the status of the actions, as appropriate, on GAO's *Action Tracker*.

enhanced by the GPRA Modernization Act of 2010, could help the executive branch and Congress address these issues over time.⁵

**2013 Annual Report
Identifies 31 New
Areas to Achieve
Greater Efficiency or
Effectiveness**

In 17 of the 31 new areas where agencies may be able to achieve greater efficiency or effectiveness, we found evidence of fragmentation, overlap, or duplication among federal programs or activities. As described in table 1, these programs or activities cover a wide range of federal functions and missions.

Table 1: Fragmentation, Overlap, and Duplication Areas identified in Our 2013 Annual Report, by Mission

Mission	Areas identified
Agriculture	1. Catfish Inspection: Repealing provisions of the 2008 Farm Bill that assigned U.S. Department of Agriculture's Food Safety and Inspection Service responsibility for examining and inspecting catfish and for creating a catfish inspection program would avoid duplication of already existing federal programs and could save taxpayers millions of dollars annually without affecting the safety of catfish intended for human consumption.
Defense	2. Combat Uniforms: The Department of Defense's fragmented approach to developing and acquiring uniforms could be more efficient, better protect service members, and result in up to \$82 million in development and acquisition cost savings through increased collaboration among the military services. 3. Defense Foreign Language Support Contracts: The Department of Defense should address fragmentation in the department's acquisition approach for foreign language support contracts, which are estimated to cost more than \$1 billion annually, by exploring opportunities to gain additional efficiencies.
Energy	4. Renewable Energy Initiatives: Federal support for wind and solar energy, biofuels, and other renewable energy sources, which has been estimated at several billion dollars per year, is fragmented because 23 agencies implemented hundreds of renewable energy initiatives in fiscal year 2010—the latest year for which GAO developed these original data. Further, the Departments of Energy and Agriculture could take additional actions—to the extent possible within their statutory authority—to help ensure effective use of financial support from several wind initiatives, which GAO found provided duplicative support that may not have been needed in all cases for projects to be built.
Health	5. Joint Veterans and Defense Health Care Services: The Departments of Veterans Affairs and Defense should enhance their collaboration to reduce costs, overlap, and potential duplication in the delivery of health care services between two of the nation's largest health care systems that together provide health care to nearly 16 million veterans, service members, military retirees, and other beneficiaries.

⁵Pub. L. No. 103-62, 107 Stat. 285 (1993); Pub. L. No. 111-352, 124 Stat. 3866 (2011).

Mission	Areas Identified
	6. Medicaid Program Integrity: The Centers for Medicare & Medicaid Services needs to take steps to eliminate duplication and increase efficiency in two Medicaid Integrity Program activities—provider audits and the collection of state program integrity data.
Homeland security law enforcement	7. Department of Homeland Security Research and Development: Better policies and guidance for defining, overseeing, and coordinating research and development investments and activities would help the Department of Homeland Security address fragmentation, overlap, and potential unnecessary duplication. 8. Field-Based Information Sharing: To help reduce inefficiencies resulting from overlap in analytical and investigative support activities, the Departments of Justice and Homeland Security and the Office of National Drug Control Policy could improve coordination among five types of field-based information sharing entities that may collect, process, analyze, or disseminate information in support of law-enforcement and counterterrorism-related efforts—Joint Terrorism Task Forces, Field Intelligence Groups, Regional Information Sharing Systems centers, state and major urban area fusion centers, and High Intensity Drug Trafficking Areas Investigative Support Centers. 9. Justice and Treasury Asset Forfeiture: Conducting a study to evaluate the feasibility of consolidating the Departments of Justice's and Treasury's multimillion dollar asset forfeiture activities could help the departments identify the extent to which consolidation of potentially duplicative activities would help increase the efficiency and effectiveness of the programs and achieve cost savings.
Information technology	10. Dissemination of Technical Research Reports: Congress may wish to consider whether the fee-based model under which the National Technical Information Service currently operates for disseminating technical information is still viable or appropriate, given that many of the reports overlap with similar information available from the issuing organizations or other sources for free. 11. Geospatial Investments: Better coordination among federal agencies that collect, maintain, and use geospatial information could help reduce duplication of geospatial investments and provide the opportunity for potential savings of millions of dollars.
International affairs	12. Export Promotion: Enhanced collaboration between the Small Business Administration and two other agencies could help to limit overlapping export-related services for small businesses. 13. International Broadcasting: The Broadcasting Board of Governors—with a budget of \$752 million in fiscal year 2012—has recognized the need to reduce overlap and reallocate limited resources to broadcasts that will have the greatest impact, but the agency could do more to achieve this goal, such as systematically considering overlap of language services in its annual language services review.
Science and the environment	14. Rural Water Infrastructure: Additional coordination by the Environmental Protection Agency and the Department of Agriculture could help three water and wastewater infrastructure programs with combined funding of about \$4.3 billion avoid potentially duplicative application requirements, as well as associated costs and time developing engineering reports and environmental analyses.
Social services	15. Drug Abuse Prevention and Treatment Programs: More fully assessing the extent of overlap and potential duplication across the fragmented 76 federal drug abuse prevention and treatment programs and identifying opportunities for increased coordination, including those programs where no coordination has occurred, would better position the Office of National Drug Control Policy to better leverage resources and increase efficiencies.
Training, employment, and education	16. Higher Education Assistance: Federal agencies providing assistance for higher education should better coordinate to improve program administration and help reduce fragmentation. 17. Veterans' Employment and Training: The Departments of Labor, Veterans Affairs, and Defense need to better coordinate the employment services each provides to veterans, and Labor needs to better target the Disabled Veterans' Outreach Program so that it does not overlap with other programs.

Source: GAO.

We consider programs or activities to be fragmented when more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities may exist to improve how the government delivers services. We identified fragmentation in multiple programs we reviewed, including the following:

- *Combat Uniforms:* We found that the Department of Defense's (DOD) fragmented approach to developing and acquiring combat uniforms could be more efficient. Further, DOD has not taken steps to ensure equivalent levels of uniform performance and protection for service members conducting joint military operations in different uniforms, potentially exposing them to increased risk on the battlefield.⁶ Since 2002, the military services have shifted from using two camouflage patterns to seven service-specific camouflage uniforms with varying patterns and colors. Although DOD established a board to help ensure collaboration and DOD-wide integration of clothing and textile activities, we continue to identify inefficiencies in DOD's uniform acquisition approach. For example, we found that none of the services had taken advantage of opportunities to reduce costs through partnering on inventory management or by collaborating to achieve greater standardization among their various camouflage uniforms. We have identified several actions DOD should take to realize potential efficiencies. In addition, DOD reported that it could save up to \$82 million in development and acquisition cost savings through increased collaboration among the military services. These actions include directing the Secretaries of the military departments to actively pursue partnerships for the joint development and use of uniforms.

In some of the programs and activities where there was fragmentation, we also found instances of overlap. Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. We found overlap among federal programs or initiatives in a variety of areas, such as joint veterans and defense health care services, export promotion activities, drug abuse prevention and treatment programs, and veterans' employment and training programs, as well as the following:

⁶DOD and the Joint Staff have described the modern-day battlefield as a place with no clearly defined front lines or safer rear area where combat support operations are performed.

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- *Department of Homeland Security Research and Development:* Within the Department of Homeland Security (DHS), we found at least six department components involved in research and development activities. We examined 47 research and development contracts awarded by these components and found 35 instances among 29 contracts in which the contracts overlapped with activities conducted elsewhere in the department. Taken together, these 29 contracts were worth about \$66 million. In one example of the overlap we found that two DHS components awarded five separate contracts that each addressed detection of the same chemical. While we did not identify instances of unnecessary duplication among these contracts, DHS has not developed a policy defining who is responsible for coordinating research and development and what processes should be used to coordinate it, and does not have mechanisms to track research and development activities at DHS that could help prevent overlap, fragmentation, or unnecessary duplication. We suggested that developing a policy defining the roles and responsibilities for coordinating research and development, and establishing coordination processes and a mechanism to track all research and development projects could help DHS mitigate existing fragmentation and overlap, and reduce the risk of unnecessary duplication.

Overlap and fragmentation among government programs or activities can lead to duplication, which occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries. Our 2013 report includes several areas where we identified potentially duplicative federal efforts, including the following:

- *Medicaid Program Integrity:* We identified duplication in the Medicaid Integrity Program, which provides federal support and oversight of state programs.⁷ In particular, the use of two sets of federal contractors in the National Medicaid Audit Program—one contractor to review states' paid claims in order to identify potential aberrant claims or billing anomalies and another contractor to audit such aberrant

⁷Medicaid is the joint federal-state health care financing program for certain low-income individuals and is one of the largest social programs in federal and state budgets. We have had long-standing concerns about Medicaid's program integrity because of problems with the sufficiency of federal and state oversight. For example, the Centers for Medicare & Medicaid Services estimated that in fiscal year 2012, \$19.2 billion (7.1 percent) of Medicaid's federal expenditures involved improper payments.

claims—increased inefficiencies in data analysis and led to duplication of effort. To address this duplication, we suggested that the Centers for Medicare & Medicaid Services (CMS) merge certain functions of the federal review contractors with the federal audit contractors to eliminate or avoid duplicative activities. Partly in response to our suggestion, CMS is not renewing its federal review contractors when their contracts expire this year, which has the potential for saving \$15 million or more.

In addition to these 17 areas of fragmentation, overlap, and duplication in federal efforts, we present 14 areas in which we identified opportunities to reduce the cost of government operations or enhance revenue collections for the Department of the Treasury. These opportunities for executive branch or congressional action exist in a wide range of federal government missions (see table 2).

Table 2: Cost Savings and Revenue Enhancement Opportunities Identified in Our 2013 Annual Report, by Mission

Mission	Areas identified
Agriculture	<p>18. Agricultural Quarantine Inspection Fees: The United States Department of Agriculture's Animal and Plant Health Inspection Service could have achieved as much as \$325 million in savings (based on fiscal year 2011 data, as reported in GAO's March 2013 report) by more fully aligning fees with program costs; although the savings would be recurring, the amount would depend on the cost-collections gap in a given fiscal year and would result in a reduced reliance on U.S. Customs and Border Protection's annual Salaries and Expenses appropriations used for agricultural inspection services.</p> <p>19. Crop Insurance: To achieve up to \$1.2 billion per year in cost savings in the federal crop insurance program, Congress could consider limiting the subsidy for premiums that an individual farmer can receive each year, reducing the subsidy for all or high-income farmers participating in the program, or some combination of limiting and reducing these subsidies.</p>
Defense	<p>20. Joint Basing: The Department of Defense needs an implementation plan to guide joint bases to achieve millions of dollars in cost savings and efficiencies anticipated from combining support services at 26 installations located close to one another.</p>
Energy	<p>21. Department of Energy's Isotope Program: Assessing the value of isotopes to customers, and other factors such as prices of alternatives, may show that the Department of Energy could increase prices for isotopes that it sells to commercial customers to create cost savings by generating additional revenue.</p>
General government	<p>22. Additional Opportunities to Improve Internal Revenue Service Enforcement of Tax Laws: The Internal Revenue Service can realize cost savings and increase revenue collections by billions of dollars by, among other things, using more rigorous analyses to better allocate enforcement and other resources.</p>

Mission	Areas identified
	<p>23. Agencies' Use of Strategic Sourcing: Selected agencies could better leverage their buying power and achieve additional savings by directing more procurement spending to existing strategically sourced contracts and further expanding strategic sourcing practices to their highest spending procurement categories—savings of one percent from selected agencies' procurement spending alone would equate to over \$4 billion.</p> <p>24. Opportunities to Help Reduce Government Satellite Program Costs: Government agencies could achieve considerable cost savings on some missions by leveraging commercial spacecraft through innovative mechanisms such as hosted payload arrangements and sharing launch vehicle costs. Selected agencies have reported saving hundreds of millions of dollars to date from using these innovative mechanisms.</p>
Health	<p>25. Medicare Prepayment Controls: More widespread use of prepayment edits could reduce improper payments and achieve other cost savings for the Medicare program, as well as provide more consistent coverage nationwide.</p> <p>26. Medicaid Supplemental Payments: To improve the transparency of and accountability for certain high-risk Medicaid payments that annually total tens of billions of dollars, Congress should consider requiring the Centers for Medicare & Medicaid Services to take steps that would facilitate the agency's ability to oversee these payments, including identifying payments that are not used for Medicaid purposes or are otherwise inconsistent with Medicaid payment principles, which could lead to cost savings. GAO's analysis for providers for which data are available suggests that savings could be in the hundreds of millions, or billions, of dollars.</p> <p>27. Medicare Advantage Quality Bonus Payment Demonstration: Rather than implementing the Medicare Advantage quality bonus payment program specifically established by law, the Centers for Medicare & Medicaid Services is testing an alternative bonus payment structure under a broad demonstration authority through a 3-year demonstration that has design flaws, raises legal concerns, and is estimated to cost over \$8 billion; about \$2 billion could be saved if it were canceled for its last year, 2014.</p>
Homeland security/law enforcement	<p>28. Checked Baggage Screening: By reviewing the appropriateness of the federal cost share the Transportation Security Administration applies to agreements financing airport facility modification projects related to the installation of checked baggage screening systems, the Transportation Security Administration could, if a reduced cost share was deemed appropriate, achieve cost efficiencies and be positioned to install a greater number of optimal baggage screening systems than it currently anticipates.</p>
Information technology	<p>29. Cloud Computing: Better planning of cloud-based computing solutions provides an opportunity for potential savings of millions of dollars.</p> <p>30. Information Technology Operations and Maintenance: Strengthening oversight of key federal agencies' major information technology investments in operations and maintenance provides opportunity for savings on billions in information technology investments.</p>
International affairs	<p>31. Tobacco Taxes: Federal revenue losses were as much as \$615 million to \$1.1 billion between April 2009 and 2011 because manufacturers and consumers substituted higher-taxed smoking tobacco products with similar lower-taxed products. To address future revenue losses, Congress should consider modifying tobacco tax rates to eliminate significant tax differentials between similar products.</p>

Source: GAO.

Among the 14 areas of opportunity to reduce costs or enhance revenue identified in our 2013 annual report are the following examples of

opportunities for executive branch agencies or Congress to take action to address the issues we reported:

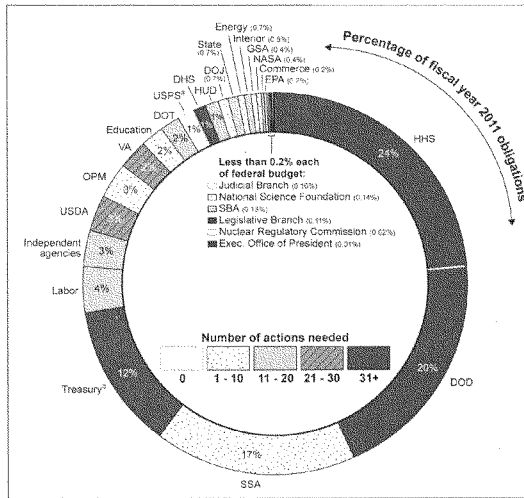
- *Medicare Advantage Quality Bonus Payment Demonstration:* We report concerns about CMS's Medicare Advantage Quality Bonus Payment Demonstration, which is expected to cost \$8.35 billion over 10 years, most of which will be paid to plans with average performance. Medicare Advantage provides health care coverage through private health plans offered by organizations under contract with CMS. The agency's stated research goal for the demonstration is to test whether an alternative bonus structure leads to larger and faster annual quality improvement for Medicare Advantage plans. We found that the demonstration's design precludes a credible evaluation of its effectiveness because it lacks an appropriate comparison group needed to isolate the demonstration's effects, and because the demonstration's bonus payments are based largely on plan performance that predates the demonstration. Based on these concerns, we suggest that Department of Health and Human Services (HHS) cancel the Medicare Advantage Quality Bonus Payment Demonstration. In addition, the demonstration's design raises legal concerns about whether it falls within HHS's demonstration authority. Although the demonstration is now in its second year, HHS still has an opportunity to achieve significant cost savings—about \$2 billion, based on GAO's analysis of CMS actuaries' estimates—if it cancels the demonstration for 2014.
- *Internal Revenue Service Enforcement of Tax Laws:* Additional cost savings and increased revenue collections may be realized by improving the Internal Revenue Service's (IRS) enforcement of tax laws. IRS has estimated that the net tax gap—the difference between taxes owed and taxes paid on time or recovered—was \$385 billion for tax year 2006 (the most recent year for which data were available). We have identified several areas where IRS can improve its programs, reduce its costs, and facilitate voluntary compliance with existing tax laws. For example, we suggested that IRS should complete a broad strategy, including a time line and performance measures, for how it intends to use information collected to improve tax compliance. We also suggested better enforcement of services designed to facilitate voluntary compliance, such as appropriate levels of telephone and correspondence service and wait time. Similarly, we previously suggested that Congress consider granting IRS broader math error authority, with appropriate safeguards against misuse of that authority, to correct errors during tax return processing. These

and other actions we have identified could help the federal government increase revenue collections by billions of dollars. We have previously reported that the government would generate an additional \$3.8 billion per year if service and enforcement improvements reduced the tax gap by 1 percent.

- **Tobacco Taxes:** In April 2009, the Children's Health Insurance Program Reauthorization Act increased federal excise tax rates for smoking tobacco products (cigarettes, roll-your-own tobacco, pipe tobacco, small cigars, and large cigars). However, it did not equalize the tax rate across all of these smoking tobacco products. According to our analysis and interviews with government, industry, and nongovernmental organization representatives, the tax disparities created incentives for price-sensitive consumers to substitute higher-taxed products with lower-taxed products, particularly as manufacturers have made changes so that their lower-tax products more directly substitute for the higher-tax products. While revenue collected for all smoking tobacco products from April 2009 through September 2011 amounted to \$40 billion, we estimated that federal revenue losses, due to market shifts from roll-your-own to pipe tobacco and from small to large cigars, ranged from about \$615 million to \$1.1 billion for the same period. To address future revenue losses, we suggested that Congress consider modifying tobacco tax rates to eliminate significant tax differentials between similar products.

With the issuance of our 2013 report, we have completed a systematic examination to identify major instances of fragmentation, overlap, or duplication across the federal government. Through our three annual reports, we have identified 162 areas in which there are opportunities to reduce fragmentation, overlap, or duplication or to achieve cost savings or enhance revenue. Within these 162 areas, we identify approximately 380 actions that the executive branch or Congress could take to address the issues we identified. These areas span a wide range of government missions, covering activities within all 15 cabinet-level executive departments and 17 other federal entities (see fig. 2). Collectively, if the actions we suggest are implemented, the government could potentially save tens of billions of dollars annually.

Figure 2: Actions Needed Directed to Federal Departments and Agencies in 2011-2013 Annual Reports



Source: GAO.
 *U.S. Postal Service (USPS) obligations are primarily funded by postal revenues, although USPS receives minimal appropriations for overseas voting and mail for the blind. Additionally, USPS has a maximum \$15 billion in borrowing authority, which it reached in fiscal year 2012.
 †Treasury's percentage of fiscal year 2011 obligations includes interest on the national debt.
 Note: Individual actions needed are counted multiple times when they are directed to more than one federal department or agency.

The Administration and Congress Have Made Some Progress in Addressing the Areas That We Previously Identified

In addition to the new actions identified for our 2013 annual report, we have continued to monitor the progress that the executive branch agencies and Congress have made in addressing the issues we identified in our 2011 and 2012 annual reports. In these reports, we identified approximately 300 actions that the executive branch and Congress could take to achieve greater efficiency and effectiveness.

We evaluated progress by determining an "overall assessment" rating for each area and an individual rating for each action within an area (see figures 3 and 4). We found that the executive branch agencies and Congress have made progress in addressing the 131 areas we identified in 2011 and 2012. As of March 6, 2013, the date we completed our progress update audit work, about 12 percent of the 131 overall areas were addressed; 66 percent were partially addressed; and 21 percent were not addressed. Within these areas, about 21 percent of the approximately 300 individual actions were addressed, 48 percent were partially addressed, and 28 percent were not addressed.

Figure 3: Assessment of 131 Areas from 2011 and 2012, as of March 6, 2013

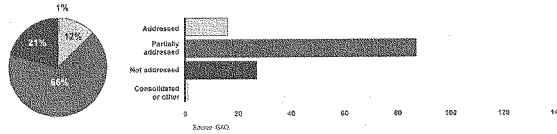
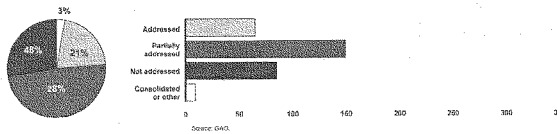


Figure 4: Assessment of Approximately 300 Actions from 2011 and 2012, as of March 6, 2013



According to our analysis, as of March 6, 2013, of the 249 actions identified in 2011 and 2012 that were directed to executive branch agencies, 22 percent were addressed and 57 percent were partially

addressed. Examples of the progress that executive branch agencies have made include the following:

- *Overseas Defense Posture:* In our 2012 annual report, we suggested the Secretary of Defense direct appropriate organizations within DOD to complete a business case analysis, including an evaluation of alternative courses of action, for the strategic objectives that have to this point driven the decision to implement tour normalization in South Korea—that is, the initiative to extend the tour length of military service members and move their dependents to South Korea. Based on the resulting business case analysis, DOD officials stated that United States Forces Korea determined that the tour normalization initiative was not affordable. This decision not to move forward with the tour normalization initiative resulted in cost avoidance of \$3.1 billion from fiscal years 2012 through 2016.
- *Air Force Food Service:* In our 2012 annual report, we suggested that the Air Force review and renegotiate food service contracts to better align with the needs of installations. According to Air Force officials, after reviewing the food service contracts at eight installations, the Air Force renegotiated their contracts for a total savings of over \$2.5 million per year. In addition, according to Air Force officials, all food service contracts were validated again during fiscal year 2012 for additional savings of over \$2.2 million per year. Air Force officials told us that the Air Force will review contracts annually for areas where costs can be reduced.
- *Information Technology Investment Management:* In our 2012 annual report, we suggested that the Director of the Office of Management and Budget (OMB) require federal agencies to report the steps they take to ensure that their information technology investments are not duplicative in their annual budget and information technology investment submissions. OMB's fiscal year 2014 budget guidance requires agencies to identify duplicative or low value investments in information technology and make plans to consolidate or eliminate these investments. Reducing duplicative and low value investments could save millions of dollars.

Congress has also taken steps to address some of our suggested actions. As of March 6, 2013, 20 percent of the 50 actions directed to Congress in our 2011 and 2012 annual reports were addressed and 12 percent were partially addressed. Examples of progress that Congress has made include the following:

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- *Domestic Ethanol Production:* In our 2011 annual report, we suggested that Congress address duplicative federal efforts directed at increasing domestic ethanol production, which could reduce revenue losses by more than \$5.7 billion annually. To reduce these revenue losses, we suggested that Congress consider whether revisions to the ethanol tax credit were needed and we suggested options to consider, including allowing the volumetric ethanol excise tax credit to expire at the end of 2011. Congress allowed the tax credit to expire at the end of 2011, which ended the ethanol tax credit for fuel blenders that purchase and blend ethanol with gasoline.
 - *Surface Transportation:* In our 2011 annual report, we suggested that Congress address the need for a more goal-oriented approach to surface transportation that is less fragmented and more accountable for results. Specifically, we found that over the years, in response to changing transportation, environmental, and societal goals, federal surface transportation programs grew in number and complexity to encompass broader goals, more programs, and a variety of program approaches and grant structures. This increasing complexity resulted in a fragmented approach as five Department of Transportation agencies administer over 100 separate programs with separate funding streams for highways, transit, rail, and safety functions. The Moving Ahead for Progress in the 21st Century Act, signed into law in July 2012, reauthorized the nation's surface transportation programs through the end of fiscal year 2014. The act addressed fragmentation by eliminating or consolidating programs, and made progress in clarifying federal goals and roles and linking federal programs to performance to better ensure accountability for results.

While the executive branch and Congress have made some progress in addressing the issues that we have previously identified, additional steps are needed to address the remaining areas to achieve associated benefits. A number of the issues are difficult to address, and implementing many of the actions identified will take time and sustained leadership. To help maintain attention on these issues, we recently launched GAO's *Action Tracker*, a publicly accessible website containing the status of actions suggested in our first three reports.⁹ The website allows executive branch agencies, Congress, and the public to track the progress the government is making in addressing the issues we have

⁹See <http://www.gao.gov/duplication/actiontracker>.

identified. We will add areas and suggested actions identified in and future reports to GAO's *Action Tracker* and periodically update the status of all identified areas and activities.

President's Fiscal Year 2014 Budget Submission and Recent Legislative Proposals Appear Consistent with Some of Our Suggested Actions

The President's Fiscal Year 2014 Budget submission makes several proposals that appear consistent with our suggested actions. Many of these proposals require some legislative action and therefore, Congress may wish to examine the following areas in its oversight:

- *Science, Technology, Engineering, and Mathematics (STEM)*: In our 2012 annual report, we found that federal agencies obligated \$3.1 billion in fiscal year 2010 to 209 STEM education programs administered by 13 federal agencies, and that 173 of these (83 percent) of these programs overlapped to some degree with at least 1 other program in that they offered similar services to similar target groups in similar STEM fields to achieve similar objectives. To minimize this overlap, we suggested that strategic planning by executive branch agencies is needed to better manage overlapping programs across multiple agencies STEM. In an effort to minimize both fragmentation and overlap in STEM programs, the President's Fiscal Year 2014 Budget submission proposed consolidating or eliminating 114 programs and redirecting nearly \$180 million from consolidated programs to three agencies: Education, the National Science Foundation, and the Smithsonian Institution. These agencies would coordinate efforts with the activities and assets of other federal science agencies.
- *Catfish Inspection*: In our 2013 annual report, we found that when U.S. Department of Agriculture's Food Safety and Inspection Service begins the catfish inspection program as mandated in the Food, Conservation, and Energy Act of 2008, the program will duplicate work already conducted by the Food and Drug Administration and by the National Marine Fisheries Service. For example, as many as three agencies—Food and Drug Administration, Food Safety and Inspection Service, and the National Marine Fisheries Service—could inspect facilities that process both catfish and other types of seafood. To avoid this duplication, we suggest that Congress repeal this provision of the act, which could save millions of dollars each year. The President's Fiscal Year 2014 Budget submission proposes the elimination of the U.S. Department of Agriculture's catfish inspection program. Similarly, S. 632 and H.R. 1313, introduced on March 21, 2013,

would eliminate the U.S. Department of Agriculture's catfish inspection (and catfish grading) program. As of May 17, 2013, the bills were pending in committees of jurisdiction.

- *Farm Direct Payments:* In our 2011 annual report, we found that reducing or eliminating fixed annual payments to farmers—which are known as direct payments and which farmers receive even in years of record farm income—could achieve cost savings of as much as \$5 billion annually. We suggested that Congress consider reducing or eliminating direct payments by (1) lowering payment or income eligibility limits; (2) reducing the portion of a farm's acres eligible for the payments; or (3) terminating or phasing out direct payments. The President's Fiscal Year 2014 Budget submission proposes eliminating direct payments to farmers.
- *Economic Development:* In our 2011 annual report, we found that there was fragmentation and overlap among 80 economic development programs at four agencies—the Department of Commerce, the Department of Housing and Urban Development, the Small Business Administration—in terms of the economic development activities that they are authorized to fund. We suggested, among other things, that the agencies further utilize promising practices for enhanced collaboration, such as seeking more opportunities for resource-sharing across economic development programs with shared outcomes and identifying ways to leverage each program's strengths to improve their existing collaborative efforts. The agencies have taken steps to address this action, which we consider partially addressed, including entering into a number of formal agreements that are intended to help enhance and sustain collaboration. In addition, the administration has initiated steps that provide the agencies with a mechanism to work together to identify additional opportunities to enhance collaboration among programs. The President's Fiscal Year 2014 Budget submission also states that the President will again seek reorganization authority and use such authority to consolidate the economic and business development activities in the Departments of Commerce, Agriculture, Health and Human Services, and the Treasury, as well as the Small Business Administration, into a new department with a focused mission to foster economic growth and spur job creation.
- *Crop Insurance:* In our 2013 annual report, we found that applying limits on premium subsidies to individual farmers participating in the federal crop insurance program, similar to the payment limits for other

farm programs, could save billions of federal dollars over 5 years. We suggested Congress consider either limiting the amount of premium subsidies that an individual farmer can receive each year—as it limits the amount of payments to individual farmers in many farm programs—or reducing premium subsidy rates for all participants in the crop insurance program, or both limiting premium subsidies and reducing premium subsidy rates. The President's Fiscal Year 2014 Budget submission proposes to reduce farmers' premium subsidies by 3 percentage points for those policies that are currently subsidized by more than 50 percent, which is expected to save about \$4.2 billion over 10 years. In addition, the President's Fiscal Year 2014 Budget submission proposes to reduce farmers' premium subsidies by 2 percentage points on policies that provide a higher indemnity if the commodity prices are higher at harvest time than when the policy was purchased, which is expected to save about \$3.2 billion over 10 years.

- *Renewable Energy Initiatives:* In our 2013 annual report, we suggested that the Secretaries of Energy and Agriculture should, to the extent possible within their statutory authority, formally assess and document whether the incremental financial support of their initiatives is needed in order for applicants' projects to be built, and take this information into account in determining whether, or how much, support to provide. The President's Fiscal Year 2014 Budget submission does not include funding for the High Energy Cost Grant Program, administered by the Department of Agriculture's Rural Utilities Service—one of the programs we identified that could provide duplicative support. This proposed elimination, if implemented, could help to reduce the potential for duplicative support.

Congress has also taken additional actions that are consistent with those we have identified in our previous reports. For example, in our 2011 and 2013 annual reports, we cited numerous information technology areas in which duplication could be minimized or cost savings achieved across the federal government and made a number of recommendations to address these issues. In fiscal year 2013, federal agencies reported to OMB that approximately \$74 billion was budgeted for information technology. On March 18, 2013, the Federal Information Technology Acquisition Reform Act (H.R. 1232) was introduced to eliminate duplication and waste in information technology acquisition and management. Among other things, the bill requires a governmentwide inventory of information technology assets to identify duplicative or overlapping investments. As of May 17, 2013, the bill was reported favorably to the full House.

Leveraging Existing and Proposed Strategies Can Help to Address Fragmentation, Overlap, and Duplication

Identifying, preventing, and addressing fragmentation, overlap, and duplication within the federal government is challenging. These are difficult issues to address because they may require agencies and Congress to re-examine within and across various mission areas the fundamental structure, operation, funding, and performance of a number of long-standing federal programs or activities with entrenched constituencies. Compounding these challenges is the lack of a comprehensive list of federal programs, reliable and complete funding information, and regular performance results and information. Without knowing the full range of programs involved or the cost of implementing them, gauging the magnitude of the federal commitment to a particular area of activity or the extent to which associated federal programs are duplicative is difficult.

Addressing these issues will require sustained attention by the executive branch agencies and the Congress. In the majority of cases, executive branch agencies have the authority to address the issues we identified. However, in other cases, Congress will need to be involved through their legislative and oversight activities. Such oversight is critical to addressing these issues. The performance planning and reporting framework originally put into place by GPRA, and significantly enhanced by the GPRA Modernization Act of 2010, provides important tools that help the Congress and the executive branch clarify desired outcomes, address program performance spanning multiple organizations, and facilitate future actions to reduce fragmentation, overlap, and duplication.

However, realizing the intent of the GPRA Modernization Act for assessing government performance and improvement and reducing fragmentation, overlap, and duplication will require sustained oversight of implementation. To assist Congress with this oversight, the act includes provisions requiring us to review its implementation at several critical junctures. For example, we are to report by June 2013 on initial implementation of the act's planning and reporting requirement and recommendations for improving implementation. We are also to evaluate how implementation is affecting performance management at federal agencies to improve the efficiency and effectiveness of agency programs, among other things, by September 2015, and again in September 2017.

To provide more timely and useful information, we have issued a number of reports over the past 2 years (1) supporting congressional involvement in and oversight of agency performance improvement efforts,⁹ and (2) reviewing the executive branch's implementation of key provisions of the act.¹⁰ In June 2013, we plan to issue a report highlighting the key findings from these reports along with the results of our most recent survey of federal managers on the implementation of key performance management practices across government—the fifth such survey we have undertaken since 1997.

Executive Branch Agencies Have the Authority to Implement Many Actions to Improve Efficiency and Effectiveness of Programs

Executive branch agencies have the authority needed to address the majority of the actions we identified in our three reports. Of the approximately 380 actions that we have suggested, 317 were directed to executive branch agencies. Given that the areas identified extend across the government and that we found a range of conditions among these areas, we suggest a similarly wide range of actions for the executive branch to consider. The executive branch agencies could address many of the issues we identified through improving planning, better measuring of performance, improving management oversight, and increasing collaboration. These actions are largely consistent with the tools and principles put in place by GPRA and the GPRA Modernization Act.

Improving Planning

Given the crosscutting policy areas included in our annual reports, planning for the outcomes to be achieved is important in helping federal agencies address challenges, particularly those related to fragmentation, overlap, or duplication. A focus on outcomes is a first step to then determining how all

⁹GAO, *Managing for Results: A Guide for Using the GPRA Modernization Act to Help Inform Congressional Decision Making*, GAO-12-621SP (Washington, D.C.: June 15, 2012); and *Managing for Results and Opportunities for Congress to Address Government Performance Issues*, GAO-12-215R (Washington, D.C.: Dec. 9, 2011).

¹⁰GAO, *Managing for Results: GAO's Work Related to the Interim Crosscutting Priority Goals under the GPRA Modernization Act*, GAO-12-620R (Washington, D.C.: May 31, 2012); *Managing For Results: Agencies Should More Fully Develop Priority Goals under the GPRA Modernization Act*, GAO-13-174 (Washington, D.C.: Apr. 19, 2013); *Managing For Results: Agencies Have Elevated Performance Management Leadership Roles, but Additional Training Is Needed*, GAO-13-356 (Washington, D.C.: Apr. 16, 2013); and *Managing for Results: Data-Driven Performance Reviews Show Promise But Agencies Should Explore How to Involve Other Relevant Agencies*, GAO-13-228 (Washington, D.C.: Feb. 27, 2013).

of the activities that contribute to an outcome, whether internal or external to an agency, should be aligned to accomplish results.

In our annual reports, we identified multiple instances of where better planning could help reduce the potential for overlap or duplication. For example, as we have already noted, strategic planning is needed to better manage overlapping STEM programs across multiple agencies. By taking this and other actions to increase efficiency and effectiveness, the administration could reduce the chance of investing scarce government resources without achieving the greatest impact in developing a pipeline of future workers in STEM fields.

Additionally, we reported that a total of 31 federal departments and agencies collect, maintain, and use geospatial information—information linked to specific geographic locations that supports many government functions, such as maintaining roads and responding to natural disasters. OMB and the Department of Interior created a number of strategic planning documents and guidance to encourage more coordination of geospatial assets, reduce needless redundancies, and decrease costs. Nevertheless, we found that the Federal Geographic Data Committee—the committee that was established to promote the coordination of geospatial data nationwide—and selected federal departments and agencies had not effectively implemented the tools that would help them to identify and coordinate geospatial data acquisitions across the government. As a result, the agencies have made duplicative investments and risk missing opportunities to jointly acquire data. Furthermore, although OMB has oversight responsibilities for geospatial data investments, it does not have complete and reliable information to identify potentially duplicative investments. Better planning and implementation among federal agencies could help reduce duplicative investments and provide the opportunity for potential savings of millions of dollars.

As this example highlights, creating a comprehensive list of programs along with related funding information is critical for identifying potential fragmentation, overlap, or duplication among federal programs or activities. Currently, no comprehensive list exists, nor is there a common definition for what constitutes a federal "program," which makes it difficult to develop a comprehensive list of all federal programs. The lack of a list, in turn, makes it difficult to determine the scope of the federal government's involvement in particular areas and, therefore, where action is needed to avoid fragmentation, overlap, or duplication. We also found that federal budget information is often not available or not sufficiently reliable to identify the level of funding provided to programs or activities.

For example, agencies could not isolate budgetary information for some programs because the data were aggregated at higher levels. Without knowing the full range of programs involved or the cost of implementing them, gauging the magnitude of the federal commitment to a particular area of activity or the extent to which associated federal programs are duplicative is difficult.

The GPRA Modernization Act requires OMB to compile and make publicly available a comprehensive list of all federal programs, and to include the purposes of each program, how it contributes to the agency's mission, and recent funding information. According to OMB, agencies currently use the term "program" in different ways, and OMB plans to allow them to continue to define programs in ways that reflect their particular facts and circumstances within prescribed guidelines.¹¹ OMB expects 24 large federal agencies to publish an initial inventory of federal programs in May 2013.¹² In future years, OMB plans to expand this effort to other agencies that are to update their inventories annually to reflect the annual budget and appropriations process. OMB also expects to enhance the initial program inventory by collecting related information, such as financing and related agency strategic goals.

Measuring Performance and Results

Performance measurement, because of its ongoing nature, can serve as an early warning system to management and a vehicle for improving accountability to the public. To help ensure that their performance information will be both useful and used by decision makers, agencies must consider the differing information needs of various users—including those in Congress. As we have previously reported, agency performance information must meet Congress's needs for completeness, accuracy,

¹¹OMB, Circular No. A-11, Preparation, Submission, and Execution of the Budget, Aug. 3, 2012.

¹²These 24 agencies are the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs, as well as the Agency for International Development, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Office of Personnel Management, Small Business Administration, Social Security Administration, and the U.S. Army Corps of Engineers Civil Works program.

validity, timeliness, and ease of use to be helpful for congressional decision making.¹³

Similarly, in our three annual reports, we reported that better evaluation of performance and results is needed for multiple federal programs and activities to help inform decisions about how to address the fragmentation, overlap, or duplication identified or achieve other financial benefits. For example:

- *Employment and Training:* In our 2011 annual report, we found that 44 of the 47 federal employment and training programs that we identified overlap with at least one other program—that is, they provide at least one similar service to a similar population. We also found that collocating services and consolidating administrative structures may increase efficiencies and reduce costs, but implementation can be challenging. In particular, an obstacle to achieving greater administrative efficiencies is that little information is available about the strategies and results of such initiatives. In April 2011, we reported that as part of its proposed Workforce Investment Act of 1998 reforms, the Administration proposed consolidating 4 employment and training programs administered by the Department of Education into 1 program.¹⁴ In addition, little is known about the incentives that states and localities have to undertake such initiatives and whether additional incentives are needed. As a result, we suggested that the Departments of Labor and Health and Human Services should examine the incentives for states and localities to pursue initiatives to increase administrative efficiencies in employment and training programs and, as warranted, identify options for increasing such incentives. Labor and HHS have initiatives underway, but it is too early to tell what remedies they will provide. In addition, the Administration has proposed to consolidate employment and training programs. And H.R. 803, the Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act), which was passed by the House in March 2013, would streamline or eliminate multiple and training programs and consolidate the funding of a number of other programs into a Workforce Investment Fund.

¹³GAO-12-621SP.

¹⁴GAO, *Employment and Training Programs: Opportunities Exist for Improving Efficiency*, GAO-11-506T (Washington, D.C.: Apr. 7, 2011).

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- *Domestic Food and Nutrition Assistance*: In our 2011 annual report, we found that domestic food and nutrition assistance is provided through a decentralized system of primarily 18 different federal programs that shows signs of overlap and inefficient use of resources. We also found that some of these programs provide comparable benefits to similar or overlapping populations. However, not enough is known about the effectiveness of many of these programs. Research suggested that participation in 7 of the 18 programs is associated with positive health and nutrition outcomes consistent with programs' goals; yet little is known about the effectiveness of the remaining 11 programs because they have not been well studied. As a result, we suggested that the U.S. Department of Agriculture should identify and develop methods for addressing potential inefficiencies and reducing unnecessary overlap among its smaller food assistance programs while ensuring that those who are eligible receive the assistance they need.
 - *Teacher Quality*: In our 2011 annual report, we identified 82 distinct programs designed to help improve teacher quality, either as a primary purpose or as an allowable activity, administered across 10 federal agencies. While a mixture of programs can target services to underserved populations and yield strategic innovations, the current programs are not structured in a way that enables educators and policy makers to identify the most effective practices to replicate. According to Education officials, it is typically not cost-effective to allocate the funds necessary to conduct rigorous evaluations of small programs; therefore, small programs are unlikely to be evaluated. As a result, we suggested that the Secretary of Education should work with other agencies as appropriate to develop a coordinated approach for routinely and systematically sharing information that can assist federal programs, states, and local providers in achieving efficient service delivery.
 - *Science, Technology, Engineering, and Mathematics Education*: In our 2012 annual report, we found that in fiscal year 2010, 173 of the 209 (83 percent) Science, Technology, Engineering, and Mathematics Education (STEM) education programs administered by 13 federal agencies overlapped to some degree with at least 1 other program in that they offered similar services to similar target groups in similar STEM fields to achieve similar objectives. In addition to the fragmented and overlapping nature of federal STEM education programs, little is known about the effectiveness of these programs. Since 2005, when we first reported on this issue, we found that the

majority of programs have not conducted comprehensive evaluations of how well their programs are working. Without an understanding of what is working in some programs, it will be difficult to develop a clear strategy for how to spend limited federal funds. Consequently, we suggested that the Director of the Office of Science and Technology Policy should direct the National Science and Technology Council to develop guidance to help agencies determine the types of evaluations that may be feasible and appropriate for different types of STEM education programs and develop a mechanism for sharing this information across agencies.

The regular collection and review of performance information, both within and among federal agencies, could help executive branch agencies and Congress determine whether some of the federal programs or initiatives included in this series are making progress toward addressing the identified issues and could determine the actions that need to be taken to improve results. However, as we previously noted, our annual reports along with a large body of other work highlight several instances in which executive branch agencies do not collect necessary performance data. For example, in our 2011 annual report we noted that OMB has not used its budget and performance review processes to systematically review tax expenditures and promote integrated reviews of related tax and spending programs. Coordinated performance reviews of tax expenditures with related federal spending programs could help policymakers reduce overlap and inconsistencies and direct scarce resources to the most effective or least costly methods to deliver federal support. Similarly, we have previously reported that as Congress oversees federal programs and activities, it needs pertinent and reliable information to adequately assess agencies' progress, ensure accountability, and understand how individual programs and activities fit within a broader portfolio of federal efforts. The lack of reliable performance data also makes it difficult for decision makers to determine how to address identified fragmentation, overlap, or duplication.

In order for information from performance measurement initiatives to be useful to executive branch agencies and Congress in making decisions, garnering congressional support on what to measure and how to present this information is critical. Thus, the GPRA Modernization Act significantly enhances requirements for agencies to consult with Congress. Specifically, at least once every two years, OMB is required to consult with relevant committees with broad jurisdiction on crosscutting priority goals, while agencies must consult with their relevant appropriations, authorization, and oversight committees when developing or making

adjustments to their strategic plans and agency priority goals. Last year we prepared a guide to help ensure that these consultations and the performance information produced by executive branch agencies are useful to Congress in carrying out its various decision-making responsibilities.¹⁵ Without this information, it will be difficult to know whether an agency's goals reflect congressional input, and therefore if the goals will provide useful information for congressional decision making. Further, successful consultations can create a basic understanding among stakeholders of the competing demands that confront most agencies, the limited resources available to them, and how those demands and resources require careful and continuous balancing. This is important given Congress's constitutional role in setting national priorities and allocating the resources to achieve them.

Finally, to ensure that their performance information will be both useful and used by decision makers, agencies must consider the differing information needs of various users. The GPRA Modernization Act puts into place several requirements that could address users' needs for completeness, accuracy, validity, timeliness, and ease of use. Requirements to include information about how various tools, such as program activities, regulations, and tax expenditures, contribute to goal achievement could lead to the development of performance information in areas that are currently incomplete. In addition, agencies are required to disclose more information about the accuracy and validity of their performance information in their performance plans and reports. While agencies will continue to report annually on progress towards the rest of their goals, the GPRA Modernization Act provides timelier, quarterly reporting for governmentwide and agency priority goals. By also requiring information to be posted on a governmentwide website, the act will make performance information more accessible and easy to use by stakeholders and the public.

Enhancing Management Oversight

When issues span multiple organizations or multiple entities within an organization, improved management oversight is needed to avoid potential overlap and duplication or achieve cost savings. For example, we found that many states are making Medicaid payments to many providers that are far in excess of those providers' costs of providing Medicaid services. Specifically, in 2007, the most recent year for which

¹⁵GAO-12-621SP.

these data were available, 39 states made payments to certain providers in excess of Medicaid costs by a total of about \$2.7 billion. To improve the transparency of and accountability for certain high-risk Medicaid payments, we suggest that Congress consider requiring CMS to take steps that would facilitate the agency's ability to oversee these payments, including identifying payments that are not used for Medicaid purposes or are otherwise inconsistent with Medicaid payment principles. Such action could lead to cost savings in the hundreds of millions, or even billions, of dollars.

The GPRA Modernization Act seeks to improve agency management oversight by including a provision for quarterly performance reviews, modeled after effective data driven—or "Stat"—reviews being conducted at the local and state level. Specifically, agency leaders are required to conduct quarterly, data-driven reviews of their performance in achieving priority goals and identify strategies to improve performance where goals are not being met. As we recently reported, consistent with state and local experience, reviews can be a key tool for driving collaboration by including all key players from within or outside an agency that contribute to goal achievement.¹⁶ However, few agency Performance Improvement Officers reported they are using the reviews to coordinate or collaborate with other agencies that have similar goals, and agencies we reviewed cited concerns about involving outsiders. Nevertheless, our prior work has shown that agencies which participated in various planning and decision-making forums together reported that such interactions contributed to achieving their goals.¹⁷ For example, the Departments of Housing and Urban Development and Veterans Affairs—which both contribute to efforts to reduce veterans' homelessness—have conducted several joint Stat meetings, where they jointly analyze performance data to understand trends, identify best practices, and prioritize the actions needed to achieve veteran homelessness goals. Officials reported that these collaborative meetings have contributed to better outcomes. We recommended that the Director of OMB identify and share promising practices for including other relevant entities that contribute to achieving their agency performance goals. OMB agreed with our recommendation.

¹⁶GAO-13-228.

¹⁷*Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012).

Enhancing Interagency
Coordination and
Collaboration

When executive branch agencies carry out activities in a fragmented and uncoordinated way, the resulting patchwork of programs can waste scarce funds, confuse and frustrate program customers, and limit the overall effectiveness of the federal effort. Our 2013 annual report includes several areas in which improved interagency coordination and collaboration could help agencies better leverage limited resources or identify opportunities to operate more efficiently. For example, the Department of Veterans Affairs and DOD operate two of the nation's largest health care systems, together providing health care to nearly 16 million veterans, service members, military retirees, and other beneficiaries at estimated costs for fiscal year 2013 of about \$53 billion and \$49 billion, respectively. As part of their health care efforts, the departments have established collaboration sites—locations where the two departments share health care resources through hundreds of agreements and projects—to deliver care jointly with the aim of improving access, quality, and cost-effectiveness of care. However, we found that the departments do not have a fully developed and formalized process for systematically identifying all opportunities for new or enhanced collaboration, potentially missing opportunities to improve health care access and quality, and reduce costs.

The GPRA Modernization Act requires OMB to coordinate with executive branch agencies to establish crosscutting priority goals and to develop a federal government performance plan that defines the level of performance needed to achieve them. As we reported in May 2012, the President's Fiscal Year 2013 Budget submission included the first list of 14 interim crosscutting priority goals. For each of the interim goals, as required by the act, OMB listed the agencies and programs that contribute to the goal in the federal government performance plan. However, based on our prior work, we identified additional agencies and programs that should be included. Accordingly, we recommended that OMB consider adding those additional contributors to the crosscutting priority goals. OMB concurred with this recommendation, and in December 2012 OMB updated information to the federal government performance plan, and added some of the additional agencies and programs we identified for select goals. The crosscutting approach required by the act will provide a much needed basis for more fully integrating a wide array of federal activities as well as a cohesive perspective on the long-term goals of the federal government that is focused on priority policy areas. It could also be a valuable tool for governmentwide reexamination of existing programs and for considering proposals for new programs.

The act also requires agencies to describe how they are working with each other to achieve their strategic and performance goals, as well as any relevant crosscutting priority goals. Moreover, for each of its performance and priority goals, each agency must identify the organizations, programs, and other activities—both within and external to the agency—that contribute to the goal. These new requirements provide additional opportunities for collaboration across executive branch agencies. We have previously identified key practices that can help federal agencies enhance and sustain their collaborative efforts along with key features to consider as they implement collaborative mechanisms.¹⁸

Congress Could Help Address Actions We Have Identified Through Legislative Action, Oversight, and Other Strategies

Congress also has an important role to play—both in its legislative and oversight capacities—in improving the efficiency and effectiveness of government programs. Other legislative strategies are also available, such as realigning committee structures or using task forces, caucuses, or commissions to work to improve the efficiency and effectiveness of federal programs.

Legislative Action

Our 2013 annual report includes several areas where legislative action is needed. For example, as noted earlier, we found that when the U.S. Department of Agriculture's Food Safety and Inspection Service begins the catfish inspection program as mandated in the Food, Conservation, and Energy Act of 2008, the program will duplicate work already conducted by the Food and Drug Administration and by the National Marine Fisheries Service. To avoid this duplication, we suggested that Congress repeal the provisions of the act that assigned U.S. Department of Agriculture responsibilities for examining and inspecting catfish and establishing a catfish inspection program. Taking this action, as the President's Fiscal Year 2014 Budget and S. 632 and H.R. 1313 submission propose, could save taxpayers millions annually, according to

¹⁸GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15 (Washington, D.C.: Oct. 21, 2005); and GAO-12-1022.

Food Safety and Inspection Service estimates of the program's cost.¹⁹ Similarly, our 2011 annual report found that, depending on the policy choices made, reducing or eliminating direct farm payments could result in savings ranging from \$800 million over 10 years to \$5 billion annually. We suggested that Congress consider a range of options and S. 10, introduced on January 22, 2013, would eliminate all direct farm payments starting in Crop Year 2014.

We have also suggested that Congress consider taking legislative action to consolidate certain programs. For example, in 2011 we reported that the federal government's efforts to improve teacher quality have led to the creation of 82 distinct programs—administered by 10 federal agencies—at the cost of over \$4 billion in fiscal year 2009. In addition to fragmentation, we also found overlap in a number of these programs. Among other things, we suggested that Congress either eliminate programs that are too small to evaluate cost-effectively or combine programs serving similar target groups. Similarly, in 2012, we commented on the overlap that exists between the products offered and markets served by the Department of Housing and Urban Development and Agriculture's Rural Housing Service. In light of this overlap, we recommended that Congress consider requiring that both departments to examine the benefits and costs of merging programs.

Congress could also require executive branch agencies to conduct program evaluations that would assess how well federal programs are working and identify steps that are needed to improve them. These evaluations typically examine processes, outcomes, impacts, or the cost-effectiveness of federal programs. However, few executive branch agencies regularly conduct in-depth program evaluations to assess their programs' impact or learn how to improve results. Such program evaluations can complement ongoing performance measurement but typically involve a more in-depth examination to learn the benefits of a

¹⁹To create this potential savings, Congress would need to repeal the provision in the Food, Conservation, and Energy Act of 2008, or direct in the Food Safety and Inspection Service's appropriation that no funds may be spent on the program. If Congress enacts a legislative restriction, there may be some opportunity to rescind appropriated amounts. Because the inspection program is funded from a lump sum appropriation to USDA, funds that would have been used for the program could be available for new obligations within the appropriations account. The U.S. Department of Agriculture could identify the amount of funds currently available for obligation that would have been used for the catfish inspection program and Congress could rescind those amounts.

Legislative Oversight

program or how to improve it. GPRA requires agencies to describe the summary findings of any completed program evaluations in their performance reports. In addition, agencies are to describe how program evaluations informed establishing or revising goals in their strategic plans, along with a schedule for future program evaluations to be conducted.

Congress can also encourage executive branch agencies to help improve the efficiency and effectiveness of federal programs through its oversight activities. For example, our past work has highlighted several instances in which Congress has used performance information in its decision making to (1) identify issues that the federal government should address, (2) measure progress towards addressing those issues, and (3) identify better strategies to address the issues, when necessary. Congressional use of similar information in its decision making for the identified areas of fragmentation, overlap, and duplication will send an unmistakable message to agencies that Congress considers these issues a priority.²⁰ Such oversight can also highlight progress that agencies are making in addressing needed reforms.

Congress recently highlighted the importance of addressing issues of fragmentation, overlap, and duplication through its oversight. For example, the Senate Budget Resolution for fiscal year 2014 directs committees to review programs and tax expenditures within their jurisdiction for waste, fraud, and duplication and to consider the findings from our past annual reports. Similarly, the House Budget Resolution for fiscal year 2014 describes some of our findings from our past annual reports, notes the number of programs that will need to be reauthorized in fiscal year 2014, and states that that our findings should result in programmatic changes in both authorizing statutes and program funding levels.

The importance of active congressional oversight can be seen in improvements made to federal programs that were once included on our High-Risk List.²¹ As the example in figure 5 describes, active congressional oversight has helped maintain executive branch agencies'

²⁰GAO-12-621SP.

²¹GAO's High Risk List calls attention to the agencies and program areas that are high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges. For more information about GAO's High Risk List, see <http://www.gao.gov/highrisk>.

attention in addressing the identified concerns and thus contributed to their removal from the High-Risk List.

Figure 5: Example of the Importance of Congressional Oversight

Congressional legislation and oversight has helped focus attention and sustain momentum to improve the processing of security clearances not only for DOD but governmentwide.⁸ As of October 2010, the Office of the Director of National Intelligence reported that 3.9 million federal employees (military and civilians) and contractors held security clearances. DOD comprises the vast majority of government security clearances. In 2004, we testified that from fiscal year 2001 through fiscal year 2003, the average time for DOD to determine clearance eligibility for industry personnel increased by 56 days to over 1 year. Delays in issuing clearances can result in millions of dollars of additional cost to the federal government and could pose a national security risk. As a result, we placed the DOD's Personnel Security Clearance Program on its High-Risk List in 2005.

Congressional oversight through hearings held by the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia of the Senate Committee on Homeland Security and Governmental Affairs helped highlight the need for security clearance reform. From 2005 to 2010, congressional committees held more than 14 hearings on security clearance reform. The hearings also helped set the direction for the agencies, including GAO, to work collaboratively on developing metrics in order to address our concerns about the completeness and quality of investigations and adjudications. On March 17, 2010, the leaders of the reform effort—the Office of Management and Budget, Office of Personnel Management, Office of the Director of National Intelligence, and DOD—along with GAO, met to discuss the status of security clearance reform efforts and consult on metrics that could be used to measure progress of security clearance reform efforts. After that meeting, all of these agencies provided a memorandum on May 31, 2010 to then-Chairman Akaka containing a matrix with 15 metrics for assessing the timeliness and quality of investigations, adjudications, reciprocity (an agency's acceptance of a background investigation or clearance determination completed by any authorized investigative or adjudicative agency), and automation.⁹ In 2011, we reported that DOD processed 90 percent of initial clearances in an average of 49 days for federal civilians, military, and industry personnel and met the 60-day statutory timeliness objective for processing all initial clearances in fiscal year 2010. Also, we found that DOD completed 90 percent of initial clearances for industry personnel in an average of 63 days for all the data we reviewed in fiscal year 2010.

Based on progress made, we removed DOD's Personnel Security Clearance program from the High-Risk List in 2011.

Source: GAO.

⁸GAO, *Personnel Security Clearances: Continued Leadership and Attention Can Enhance Momentum Gained from Reform Effort*, GAO-12-815T (Washington, D.C.: June 21, 2012).

⁹We participated in legislative and executive branch discussions on development of these metrics. However, given the need for GAO to remain independent in carrying out its auditing responsibilities of the executive branch, decisions related to performance measures and their effective implementation are fundamentally an executive branch management responsibility.

The consultations required by the GPRA Modernization Act can also serve as a tool for congressional oversight. In our guide to congressional consultations, we provide a list of illustrative questions Congress can ask during consultations about agency strategic plans, performance goals, and measures, including how their efforts are being coordinated with other agencies to ensure that related efforts are complementary in that

they are appropriate in scope and not unnecessarily duplicative.²² In developing our guide, congressional staff and agency officials we interviewed generally agreed that consultations ideally should be bipartisan and bicameral to help ensure involvement from all relevant parties. In addition, to the extent feasible, consultations should be held jointly with relevant authorizing, appropriations, budget, and oversight committees. Committee staff recognized that, due to sometimes overlapping jurisdictions, obtaining the involvement of all interested congressional committees in a coordinated approach can be challenging. However, the often overlapping or fragmented nature of federal programs—a problem that has been extensively documented in our work—underscores the importance of a coordinated consultation process. For example, in an attempt to address this issue during initial implementation of GPRA during the 1990s, the House leadership formed teams of congressional staff from different committees to have a direct role in the consultation process.

Other Strategies

To ensure efficient and effective oversight, Congress can take bipartisan and bicameral action to improve its oversight through vehicles such as task forces and caucuses. Such specialized bodies could provide effective oversight for portfolios of federal programs that contribute to common or complementary outcomes, but cross existing jurisdictional lines. For example, the Caucus on International Narcotics Control was created in 1985 to provide oversight on a wide range of issues, including international counternarcotics assistance and domestic drug prevention and treatment programs. The Caucus has held numerous hearings over the years and has issued a number of reports on U.S. narcotics control policy.

Congress could also establish and charge a commission with improving the efficiency and effectiveness of federal programs. Congress has used commissions to help inform their decision making on certain issues in the past. For example, in 1947 Congress authorized the Commission on Organization of the Executive Branch of the Government, known as the Hoover Commission, to recommend government reorganization changes to Congress. This commission was considered by many to have been the most successful among government restructuring efforts. The membership was bipartisan, including members of the administration and

²²GAO-12-621SP.

both houses of Congress.²³ More than 70 percent of the first Hoover Commission's recommendations were implemented, including 26 out of 35 reorganization plans.²⁴ According to a 1982 history of the Hoover Commissions, "the ease with which most of the reorganization plans became effective reflected two factors: the existence of a consensus that the President ought to be given deference and assistance by Congress in meeting his managerial responsibilities and the fact that most of the reorganization plans were pretty straightforward proposals of an organizational character."²⁵

Finally, the administration has again requested reorganization authority in the President's Fiscal Year 2014 budget submission. Such authority can enable the President to propose reorganizations that are intended to increase the efficiency and effectiveness with which the government can meet existing and emerging challenges through an expedited approval process. We have previously testified about the importance of balancing the roles of Congress and the Executive Branch in considering reorganization authority proposals.²⁶ Furthermore, we noted that all key players should be engaged in discussions about reorganizing government: the President, Congress, and other parties with vested interests, including state and local governments, the private sector, and citizens. It is important to ensure a consensus on identified problems and needs and to be sure that the solutions our government legislates and implements can effectively remedy the problems we face in a timely manner. Only Congress can determine its appropriate powers and role in transformation efforts. In certain circumstances, Congress may deem limitations appropriate; however, care should be taken regarding the nature, timing, and scope of any related changes. For example,

²³Ronald C. Moe, *The Hoover Commissions Revisited* (Boulder, Colorado: Westview Press, 1982), 2

²⁴The first Hoover Commission, from 1947 to 1949, made reorganization proposals that promoted what they referred to as "greater rationality" in the organization and operation of government agencies and enhanced the president's role as the manager of the government. By contrast, the second Hoover Commission, referred to as Hoover II, which lasted from 1953 to 1954, examined policy areas with the goal of cutting government programs.

²⁵Ronald C. Moe, Congressional Research Service, *The President's Reorganization Authority: Review and Analysis* (Washington, D.C.: Mar. 8, 2001).

²⁶GAO, *Government Efficiency and Effectiveness Opportunities for Improvement and Considerations for Restructuring*, GAO-12-454T (Washington, D.C.: Mar. 21, 2012).

safeguards are needed to ensure congressional input and concurrence on the goals and proposals.

In closing, as the fiscal pressures facing the nation continue, so too does the need for executive branch agencies and Congress to improve the efficiency and effectiveness of government programs and activities. Opportunities exist to improve the efficiency and effectiveness of government operations in the 162 areas we have included in our 2011-2013 annual reports. Moving forward, we plan to conduct further analysis to look for additional or emerging instances of fragmentation, overlap, and duplication and opportunities for cost savings or revenue enhancement. Likewise, we will continue to monitor developments in the areas we have already identified in this series. In addition, we plan to develop a framework to guide policymakers' decisions regarding the issues of fragmentation, overlap, and duplication that we identified in our reports. We stand ready to assist this and other committees in further analyzing the issues we have identified and evaluating potential solutions.

Chairman Carper, Ranking Member Coburn, and Members of the Committee, this concludes my prepared statement. I would be pleased to answer questions.

GAO Contacts

For further information on this testimony or our 2013 annual report, please contact Orice Williams Brown, Managing Director, Financial Markets and Community Investment, who may be reached at (202) 512-8678 or williamso@gao.gov, and A. Nicole Clowers, Director, Financial Markets and Community Investment, who may be reached at (202) 512-8678 or clowersa@gao.gov. Contact points for the individual areas listed in our 2013 annual report can be found at the end of each area at <http://www.gao.gov/products/GAO-13-279SP>. Contact points for our Congressional Relations and Public Affairs offices may be found on the last page of this statement.



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

July 3, 2013

The Honorable Jon Tester
United States Senator

Dear Senator Tester:

This letter is in reference to the hearing of the U.S. Senate Committee on Homeland Security and Governmental Affairs entitled "Performance Management and Congressional Oversight: 380 Recommendations to Reduce Overlap and Duplication to Make Washington More Efficient," at which I testified on May 22. Enclosed is GAO's response to the questions for the record that you submitted to us after that hearing. Should you have any further questions, please contact me at (202) 512-5500, or Orice Williams Brown, Managing Director, Financial Markets and Community Investment, at (202) 512-8678, or williams@gaio.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gene L. Dodaro".

Gene L. Dodaro
Comptroller General
of the United States

Enclosure

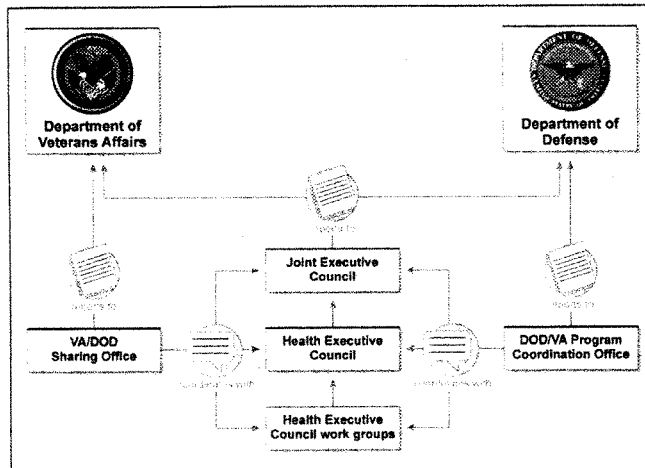
1. Regarding your report's recommendation on Joint Veterans and Defense Health Care Services, you state that "VA and DOD do not have a fully developed and formalized process for systematically identifying all opportunities for new or enhanced collaboration, which may lead to missed opportunities to improve health care access, quality and costs." You also write that "identification of potential collaboration opportunities is largely left to local medical facility leadership." Rather than creating or strengthening a process, wouldn't a dedicated collaboration team be more effective? At what management level do you believe such a team would need to exist at each agency in order to compel change? (ex: undersecretary, assistant secretary, commission)

A. Dedicated collaboration teams could help to facilitate collaboration for health care delivery services among VA and DOD, and the departments have an infrastructure in place at the department level that could serve as these entities. This includes a joint health-related council that provides strategic direction, a joint workgroup to provide support for collaboration, and offices in each department dedicated to resource sharing between the departments. Although these bodies could be considered dedicated collaboration teams, officials have told us that key components of this infrastructure lack the authority to require collaboration among local facilities, thus limiting their roles to providing advice, recommendations, and support for collaboration at the local level.

VA and DOD have an organizational structure in place to plan and carry out a variety of joint projects and collaboration efforts (See fig. 1.) Specifically, the Joint Executive Council—co-chaired by the Deputy Secretary of VA and the Under Secretary of Defense for Personnel and Readiness—is made up of senior VA and DOD officials and provides broad strategic direction for collaboration between the two departments. The Health Executive Council, a subcommittee of the Joint Executive Council, provides oversight for the specific cooperative efforts of each department's health care organizations. The Health Executive Council is organized by work groups to carry out its responsibilities.

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Figure 1: Organizational Components Related to VA/DOD Collaboration



Source: GAO.

Since 2009, a Health Executive Council work group—composed of VA and DOD department-level officials and representatives from the military services—has identified a few potential collaboration sites annually. However, the work group does not have the authority to require—or provide oversight of—implementation of their recommendations regarding collaboration; rather, it serves in an advisory and support function only. In addition to this interagency structure, there are department-level coordination offices—VA’s VA/DOD Sharing Office and DOD’s DOD/VA Program Coordination Office—which provide support for resource sharing activities between the two departments including assisting with planning and facilitating communication among collaboration locations. These offices coordinate with, but do not have a direct reporting relationship to the Joint Executive Council and the Health Executive Council.

The Joint Executive Council has developed the Joint Strategic Plan, which conveys the direction and goals for collaboration for the two departments. The plan outlines the departments’ primary goals, which include developing a health care system that delivers quality, access, satisfaction, and value, consistently across the departments, and to establish a national model for effective and efficient delivery of benefits and services through collaboration. The plan also outlines

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specific initiatives designed to ensure leadership, commitment, and accountability for VA and DOD's collaboration activities.

In our previous work on interagency collaboration, we reported on ways for agencies to facilitate and enhance their collaboration efforts, including ways to reduce the costly government duplication and overlap that can cost taxpayers billions of dollars each year. Our prior work has found that strategic direction is required as the basis for collaboration. As such, defining roles and responsibilities and mechanisms for coordination can help agencies clarify who will lead or participate in which activities, organize their joint activities and individual efforts, and facilitate decision making. In addition, agencies can facilitate and enhance their collaboration efforts by establishing compatible ways of working together across agency boundaries.

However, VA and DOD do not have a fully developed process or a sufficiently developed strategic direction to work across agency boundaries to fully identify and pursue beneficial collaboration opportunities. Specifically, the departments have not fully developed and implemented a systematic process to review potential opportunities for new and expanded collaboration, but instead have largely left this to local VA and DOD medical facilities' leadership. There are some important benefits of involving local leadership in identifying and pursuing opportunities for collaboration. For example, officials said local-level leaders have more direct knowledge of their local market conditions, and as such, are better positioned to assess their unique circumstances and determine what types of collaboration make the most sense. However, reliance only on local leadership rather than using a systematic process supported at the department level, can be problematic for several reasons. For example, collaboration is dependent on local leaders' personalities and willingness to collaborate; given the regular changes in military treatment facility leadership, local leaders' interest and commitment to collaborating can change over time; and local medical facility leadership may not have readily available access to information necessary to examine which health care services could benefit from collaboration. Officials from the department-level VA/DOD coordination offices said decisions regarding collaboration are largely left to local leaders because they do not have the authority over local facilities that would be necessary to require collaboration; rather they only offer advice and guidance.

Although VA and DOD clearly recognize the potential benefits of collaboration to jointly provide health care services, the departments may be missing opportunities to more fully meet their shared goals of improving access to, and the quality and costs of, health care, such as by

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reducing duplication and overlap of services. As a result, we recommended that VA and DOD, at the department level, should develop and implement a more systematic process for identifying and furthering collaboration opportunities. Further involvement by senior VA and DOD leaders, such as at the Joint Executive Council level, could help ensure that the departments make the most of their opportunities for new or enhanced health care collaboration. VA and DOD generally concurred with our recommendation. They noted that they would continue to work together to hone their process for jointly identifying a select number of sites where there are opportunities for collaboration. They also stressed the importance of the role of local leaders in the development of collaboration.

2. Regarding your recommendation on Department of Homeland Security Research and Development, you say GAO investigators reviewed data on DHS contracts coded as R&D and found “35 instances among 29 contracts where DHS components awarded R&D contracts that overlapped with other DHS R&D activities” and that together these contracts were worth \$66 million. Studies on earmarks have shown that R&D activities attract the most lobbying and parochial interest from legislators. In order to ensure this function so vulnerable to waste and fraud is properly monitored, where in the DHS chain of command and budget process does R&D review need to begin?

A. While it is up to Department of Homeland Security (DHS) to determine where specifically in the chain of command and budget process Research and Development (R&D) review should begin, it will be important that it is implemented at a level high enough within DHS to ensure commitment and effective oversight and coordination across all of the department's components involved in R&D activities. Although DHS's Science and Technology Directorate (S&T) is responsible for coordinating DHS R&D activities,¹ a management directive or department wide policy on R&D efforts and spending would likely come from the Undersecretary for Management or Office of Chief Financial Officer to ensure coordination and consistency of implementation across DHS.

In our September 2012 report, we made several recommendations to the Secretary of Homeland Security to help DHS better oversee and coordinate R&D investments and activities across the department. Taking action to implement these recommendations would better position the department to know what R&D activities it was undertaking and the costs of those

¹ Pub. L. No. 107-296, § 302, 116 Stat. 2135, 2163-64 (codified as amended at 6 U.S.C. § 182).

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activities, as well as to address overlap, fragmentation, and the risk of unnecessary duplication. Specifically, we recommended that DHS develop department level policies and guidance for defining, reporting and coordinating R&D activities across the department; and that DHS establish a mechanism to track R&D projects. We also noted that such policies and guidance could be included as an update to the department's existing acquisition directive.

DHS agreed with our recommendations and planned to evaluate the most effective approaches to better manage R&D across the department. For example, DHS said it was considering a management directive, multi component steering committee, or new policy guidance to help better oversee and coordinate R&D. According to DHS officials, a decision on which one of these approaches to take was to be made by May 1, 2013. In following up with DHS in June 2013, the department had not yet determined which approach it would implement to address our findings and recommendations, but planned to make a decision soon. We anticipate that the options DHS is considering, if implemented effectively, could address the issues we identified in our report and meet the intent of our recommendations.

3. Regarding your recommendation on Veterans' Employment and Training, you say a handbook created by the departments of Labor and Veterans Assistance in 2008 to "guide the roles of their respective staff in coordinating services to disabled veterans" needs updating. The report also says Labor and VA should include related DOD employment initiatives for National Guard and Reserves in their interagency agreements. Assuming that DOD's initiatives also serve disabled veterans, shouldn't it be included in coordinating efforts such as the handbook?

A. The handbook could potentially serve as a vehicle for coordinating DOD employment initiatives. Labor, VA, and DOD agreed with the recommendation in our report on veterans' employment and training programs to incorporate DOD's employment assistance initiatives into the agreements that guide interagency coordination. In their responses, they cited various mechanisms that they will use or are already using to accomplish this goal. These include a DOD-VA Task Force, which is partnering with the White House, and a Labor and VA Joint Work Group. The task force includes representation from Labor, DOD, VA, and OMB, among other agencies. As these groups consider how to enhance coordination with DOD initiatives, a focus on the specific types of employment assistance DOD is providing, and to which groups of

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individuals—including the extent to which they include veterans with disabilities—will be important in determining the most appropriate vehicles for documenting agreements, such as the handbook or memoranda of understanding.

4. In your recommendation on Field-based information sharing, you recommend that DHS, DOJ and ONDCP “develop a mechanism” to hold these entities “accountable” for coordination and results evaluation. You also recommend they “identify characteristics of entities and assess specific geographic areas in which practices that could enhance coordination and reduce unnecessary overlap...could be applied.” Past experience has shown that the turf wars rife throughout the intelligence community provide a disincentive for agencies to collaborate in this fashion. How can we compel such collaboration legislatively and create real metrics for progress? What has worked elsewhere in the intelligence community?

A. The Government Performance and Results Act of 1993 (GPRA), as amended by the GPRA Modernization Act of 2010, provides a legislative framework through which DHS, DOJ, and ONDCP, as well as Congress, can address issues of collaboration and reduce unnecessary overlap among the field-based information sharing entities discussed in our April 2013 report.² For example, consistent with the GPRA Modernization Act, agencies should be coordinating and collaborating with relevant personnel within and external to the agency that play a role in helping them achieve their missions and identifying opportunities to collaborate with other agencies on common goals.³ Implementing these requirements can ensure that executive branch agencies are working together in overlapping areas. Provisions of the GPRA Modernization Act also address guidance for agencies on collecting and reporting more timely and useful performance information, including information related to governmentwide and crosscutting issues.⁴ Such performance information plays an important role in congressional decision making and oversight. The actions we recommended are consistent with provisions addressing coordination and collaboration put in place by GPRA and the GPRA Modernization Act, as they call on the DHS Secretary, Attorney General, and ONDCP Director to have their

²See, GAO, *Information Sharing: Agencies Could Better Coordinate to Reduce Overlap in Field-Based Activities*, GAO-13-471 (Washington: D.C., April 4, 2013).

³ See 31 U.S.C. §§ 1123(b)(4), 1124(a)(2)(B).

⁴ See, e.g., 31 U.S.C. § 1122(a)(2)(A), (d).

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respective organizations work together to (1) assess areas where they can take advantage of colocating entities, have more participation across entities on their respective executive boards, or implement other ways to collaborate; and (2) develop a mechanism to allow them to hold the heads of the field entities accountable for taking these steps and demonstrating results achieved. GAO's recommendations are intended to help the agencies collaborate to (a) make the best use of federal resources; (b) limit any wasteful overlap and the burden it creates on consumers of the information that these entities provide; and (c) leverage the people, knowledge, expertise, systems, information, and services each entity has to identify threats to the homeland.

The three agencies, in their responses back to GAO on the recommendations, indicated that they already hold their field entities accountable for sharing information and track this through metrics. However, our recommendations go beyond having agencies simply agree to share information. Rather, the recommendations address the need for entities to coordinate on their investigative and analytical activities and resources and be held accountable for doing so. As our report shows, collaboration is happening on its own in some locations with positive results, but it is not happening in other locations, and DHS, DOJ, and ONDCP said that they generally leave the decision on how to collaborate up to the heads of the respective local entities. Our report shows, however, that this approach can leave gaps, and GAO's broader work has demonstrated that (a) having institutionalized mechanisms—such as performance metrics—in place to achieve collaboration rather than rely on personal relationships, and (b) setting the tone for accomplishing these results at the top, helps to ensure more consistent results.

GAO plans to continue to work with DHS, DOJ, and ONDCP to achieve progress on the needed changes through its recommendations follow-up process. Additionally, the co-chair of the Interagency Policy Committee for information sharing within the Executive Office of the President is planning to inventory how some of these entities are currently collaborating and publicly account for the results in its annual report to the Congress, to help hold the three agencies accountable for responding to our recommendations. Your Committee could further help to ensure that changes are implemented and homeland security benefits achieved by undertaking additional oversight of agencies' progress, such as by holding agencies accountable through hearings and reports.

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Finally, GAO has not reviewed similar coordination issues elsewhere in the intelligence community, but our recommendations are reinforced by a body of past work we conducted at other government agencies that identified practices agencies can use to enhance and sustain their collaborative efforts, including developing mechanisms to monitor, evaluate, and report on results and reinforce individual accountability through performance management systems.⁵

⁵GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012).

