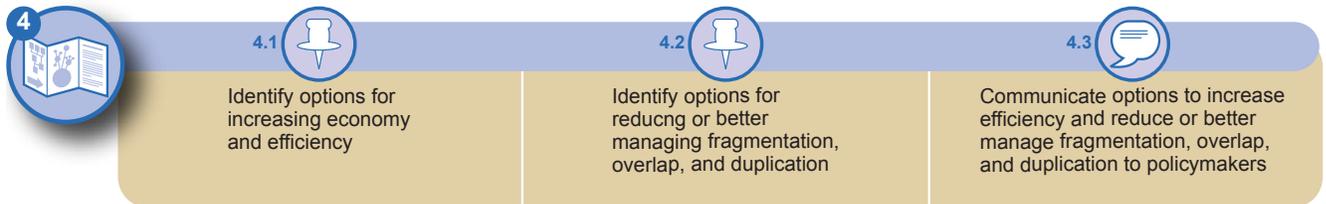


Step 4: Identify Options to Increase Efficiency and Reduce or Better Manage Fragmentation, Overlap, and Duplication

This step provides guidance to analysts on identifying options to improve efficiency (when the effects of fragmentation, overlap, or duplication are positive, as discussed in Steps 2 and 3) or reduce or better manage fragmentation, overlap, or duplication (when the effects are negative, as discussed in Steps 2 and 3). Providing information to policymakers (including congressional decision makers and executive branch leaders) on how to improve efficiency and reduce or better manage fragmentation, overlap, or duplication can help alleviate some of the government's fiscal pressures and improve program effectiveness.



4.1 Identify options for increasing economy and efficiency.

Economy and efficiency can be defined as maintaining services or outcomes using fewer resources (such as time, money, and staff) or improving or increasing the quality or quantity of services or outcomes while maintaining (or reducing) resources expended. Increasing efficiency can help federal, state, and local governments make better use of scarce resources. Consequently, even in cases where analysts identified all or mostly positive effects of fragmentation, overlap, or duplication in [Step 2](#) of this guide, they should attempt to identify opportunities to increase efficiency in and among the programs included in their fragmentation, overlap, and duplication reviews.

In 2010, GAO outlined a number of management approaches that may improve efficiency, including (1) restructuring outmoded government organizations and operations; (2) implementing process improvement methods and technology improvements; and (3) implementing a strategic approach to spending.²² Table 4 includes examples from GAO's annual fragmentation, overlap, and duplication reports that illustrate each of these approaches.

²²See GAO, *Streamlining Government: Opportunities Exist to Strengthen OMB's Approach to Improving Efficiency*, [GAO-10-394](#) (Washington, D.C.: May 7, 2010).

Table 4: Approaches That May Improve Efficiency

Efficiency improvement approach	Description	Example
Restructuring outmoded government organizations and operations	This approach refers to the process of eliminating programs and policies that are outdated or ineffective. Those programs and policies that remain relevant could be updated and modernized by improving their targeting and efficiency through such actions as redesigning allocation and cost-sharing provisions, consolidating facilities and programs, and streamlining and reengineering operations and processes.	<p>In 2012, GAO found that the Department of Commerce's National Technical Information Service (NTIS) (which was established in 1950 by statute to collect scientific and technical research reports and disseminate them to the public) charged for many reports that overlap with information that was available for free from federal agencies and other public websites. At the time, NTIS had been experiencing declines in its sales of technical reports. Because charging for information that was freely available elsewhere was a disservice to the public and may also have been wasteful insofar as some of the agency's customers were other federal agencies, GAO suggested that Congress may wish to consider examining the appropriateness and viability of the fee-based model.</p> <p>See also <i>Information Management: National Technical Information Service's Dissemination of Technical Reports Needs Congressional Attention</i>. GAO-13-99. Washington, D.C.: November 19, 2012.</p>
Implementing process improvement methods and technology improvements	This approach refers to the process of implementing methods to increase product quality and decrease costs to improve efficiency. Process improvement methods can involve examining processes and systems to identify and correct costly errors, bottlenecks, or duplicative processes while maintaining or improving the quality of outputs. In relation to process improvement, modernizing processes through investments in technology can generate efficiency gains.	<p>In 2013, GAO found that the Department of Defense (DOD) did not have a consolidated agency-wide strategy to contract for health care professionals, resulting in a contracting approach that was largely fragmented. DOD operated a large and complex health care system that employed more than 150,000 military, civilian, and contract personnel working in military hospitals and clinics. Each military department operated its own facilities, and each generally contracted separately for health care professionals, such as nurses, to supplement care provided in these facilities. As a result, GAO recommended that DOD develop and implement an agency-wide strategy to contract for health care professionals.</p> <p>See also <i>Defense Health Care: Department of Defense Needs a Strategic Approach to Contracting for Health Care Professionals</i>. GAO-13-322. Washington, D.C.: May 28, 2013.</p>
Implementing a strategic approach to spending	This approach refers to the process of analyzing spending to develop a better picture of what an agency is spending on goods and services (known as "spend analysis"), or taking an organization-wide approach to procuring goods and services.	<p>In September 2012, GAO found that in fiscal year 2011, total spending through OMB's Federal Strategic Sourcing Initiative (FSSI) program—a government-wide program implemented in 2005 and designed to address opportunities to strategically source commonly purchased products and services—remained low, as only 15 percent of government-wide spending for the products and services covered by the FSSI initiatives went through the FSSI contracts. In addition, the program had not yet targeted the products and services on which the government spent the most. GAO also found that a lack of clear guidance on metrics for measuring success affected the management of ongoing FSSI and agencies' efforts. As a result, GAO recommended that OMB issue updated government-wide guidance on calculating savings, establish metrics to measure progress toward goals, and identify spending categories (of products and services) most suitable for strategic sourcing. GAO also made recommendations to DOD and VA to improve their strategic sourcing efforts.</p> <p>See also <i>Strategic Sourcing: Improved and Expanded Use Could Save Billions in Annual Procurement Costs</i>. GAO-12-919. Washington, D.C.: September 20, 2012.</p>

Source: [GAO-13-279SP](#) and [GAO-14-343SP](#). | GAO-15-49SP

In identifying options to increase efficiency, analysts should detail the expected outcomes or benefits of the proposed changes and any trade-offs that should be considered before changes are implemented. In addition, in 2011 GAO identified a number of key practices used in efficiency initiatives, which may provide insight into ways to improve efficiency in the federal government.²³ These key practices include the following:

- **Using change management practices to implement and sustain efficiency initiatives**, for example, by ensuring top leadership drives transformation and by involving employees to obtain their ideas and promote their ownership of transformation.

²³See GAO, *Streamlining Government: Key Practices from Select Efficiency Initiatives Should Be Shared Governmentwide*, [GAO-11-908](#) (Washington, D.C.: Sept. 30, 2011).

- **Targeting both short- and long-term efficiency initiatives**, for example, by identifying initiatives that can generate immediate returns as well as more substantive changes to operating procedures, programs, and organizational structures and by identifying funding mechanisms to support the up-front costs associated with longer-term substantive efficiency improvements.
- **Building capacity for improving efficiency**, for example, by using a department-level office to standardize guidance and training and facilitate sharing best practices and by identifying and formally soliciting input from experts in the department's mission field or in government operations.

4.2 Identify options for reducing or better managing fragmentation, overlap, and duplication.

If analysts identified potential negative effects of fragmentation, overlap, and duplication in Step 2 of this guide, in addition to identifying opportunities to increase efficiency, they should identify options to reduce or eliminate the impact of these effects on beneficiaries, customers, and other related parties. In doing so, they should also identify the benefits and trade-offs of their proposed recommendations.

Using the results of existing or new evaluations of the identified programs, analysts may consider recommending to congressional decision makers and executive branch leaders one or more of the following options to reduce or better manage fragmentation, overlap, or duplication:

- **Improving coordination and collaboration within and across agencies** (refer to Tip Sheet 2 in app. III for information on best practices in agency collaboration).
- **Engaging in performance management activities** (refer to Tip Sheet 5 in app. III for more information on performance management).
- **Changes to statute, regulation, or guidance to revise or explicitly define the roles and responsibilities of agencies and program administrators.**
- **Consolidating or streamlining programs** (refer to Tip Sheet 6 in app. III for information on consolidating programs).
- **Eliminating programs.**

Table 5 provides examples of findings and recommendations from GAO's work to illustrate options for reducing or better managing fragmentation, overlap, and duplication.

Table 5: Examples from GAO’s Work to Illustrate Options for Reducing or Better Managing Fragmentation, Overlap, and Duplication When Performance Information Is Sufficient

Option to reduce or better manage fragmentation, overlap, or duplication	Example from GAO’s fragmentation, overlap, and duplication work	GAO’s recommended action
Improving coordination and collaboration	<p>In a September 2012 report, GAO found that the military services employed a fragmented approach for acquiring combat uniforms. The Department of Defense (DOD) and the services had not collaborated to establish joint criteria for ground combat uniforms to ensure equivalent levels of uniform performance and protection or pursued partnership opportunities to reduce uniform-related costs.</p> <p>As a result, military personnel may have been exposed to increased risk on the battlefield and DOD may have lost opportunities to save millions of development and acquisition dollars.</p> <p>See also <i>Warfighter Support: DOD Should Improve Development of Camouflage Uniforms and Enhance Collaboration Among the Services</i>. GAO-12-707. Washington, D.C.: September 28, 2012.</p>	<p>GAO recommended, among other things, that the Secretaries of the military departments actively pursue partnerships for the joint development and use of uniforms to minimize fragmentation and reduce costs.</p> <p>A provision in the National Defense Authorization Act for Fiscal Year 2014 established as policy that the Secretary of Defense shall eliminate the development and fielding of service-specific combat and camouflage utility uniforms in order to adopt and field a common uniform or family of uniforms to be used by all members. DOD has also taken some steps to share information about uniform development among military departments.</p>
Improving performance management	<p>In a February 2012 report, GAO identified 14 grant and loan programs at the Department of Energy (DOE), Department of Transportation (DOT), and the Environmental Protection Agency (EPA) and 3 tax expenditures that funded activities that had the effect of reducing mobile-source diesel emissions.</p> <p>GAO found that the overall effectiveness of federal funding for activities that reduced mobile source diesel emissions may have been limited because agencies generally did not collaborate. In addition, uncoordinated program efforts could have wasted scarce funds and confused and frustrated program customers.</p> <p>See also <i>Diesel Pollution: Fragmented Federal Programs that Reduce Mobile Source Emissions Could be Improved</i>. GAO-12-261. Washington, D.C.: February 7, 2012.</p>	<p>GAO recommended that DOE, DOT, and EPA establish a strategy for collaboration in reducing mobile source diesel emissions, and specified that the strategy should help agencies (1) determine the performance measures needed, as appropriate, to assess the collective results of federal funding for activities that reduce diesel emissions and (2) identify and address any unnecessary duplication.</p> <p>Although DOE, DOT, and EPA had, as of March 2015, taken some steps to coordinate their efforts to reduce diesel emissions, these coordination efforts lack a broader strategy for collaboration.</p>
Changing statute, regulation, or guidance to revise or explicitly define roles and responsibilities	<p>In a 2004 report on the Department of State’s Arms Control and Nonproliferation Bureaus, GAO found that the Department of State Inspector General had identified a number of areas of overlap among the bureaus. The Department of State subsequently reorganized to, among other things, eliminate overlap. Despite this reorganization effort, in a July 2009 report, GAO found that fragmentation, overlap, and redundancies continued to exist among the bureaus, due in part to a lack of clear guidance in the Foreign Affairs Manual.</p> <p>The unaddressed overlap resulted in continued mission overlap between the bureaus, with some Department of State employees stating that some offices were overworked while others were underworked.</p> <p>See also <i>State Department: Key Transformation Practices Could Have Helped in Restructuring Arms Control and Nonproliferation Bureaus</i>. GAO-09-738. Washington, D.C.: July 15, 2009.</p>	<p>GAO recommended that, among other things, the Department of State should formally delineate the roles of the bureaus in the Foreign Affairs Manual.</p> <p>In February and April 2011, the Department of State updated the Foreign Affairs Manual to formally delineate the roles of the bureaus.</p>

<p>Consolidating or streamlining programs</p>	<p>In a March 2011 report, GAO found that in response to significant risks of mission failure and loss of life due to rapidly changing enemy threats, DOD established urgent needs processes to rapidly develop, modify, and field new capabilities, such as intelligence, surveillance, and reconnaissance technology and counter-improvised explosive device systems. GAO identified at least 31 entities that played a significant role in DOD's urgent needs processes and estimated funding for addressing urgent needs through those entities to be at least \$76.9 billion from fiscal year 2005 through fiscal year 2010.</p>	<p>In the absence of a comprehensive evaluation by DOD, GAO's 2011 report identified and analyzed several options aimed at potential consolidation and increases in efficiency in an effort to provide ideas for the department to consider in streamlining its urgent needs entities and processes. GAO also recommended that DOD perform its own analysis of options aimed at potential consolidations and increased efficiency in streamlining its urgent needs entities and processes.</p>
	<p>GAO identified challenges with DOD's fragmented urgent-needs guidance and raised concerns about the numbers and roles of the various entities involved in addressing these needs. GAO found that the department was hindered in its ability to identify key improvements, including consolidation of entities and processes to reduce any fragmentation, overlap, or duplication because it lacked a comprehensive approach to manage and oversee the breadth of its urgent needs efforts.</p>	<p>DOD addressed this recommendation, completing its own analysis aimed at potential consolidation and increased efficiency in streamlining multiple entities and processes to address urgent needs of warfighters. In addition, DOD has also determined an optimal course of action and has begun to reorganize the department's urgent needs entities and implement other actions, such as establishing guidance, as GAO recommended in March 2011.</p>
	<p>See also <i>Warfighter Support: DOD's Urgent Needs Processes Need a More Comprehensive Approach and Evaluation for Potential Consolidation</i>. GAO-11-273. Washington, D.C.: March 1, 2011.</p>	
<p>Eliminating programs</p>	<p>In an August 2009 report, GAO found that since the 1970s, the federal government has provided increasing levels of support to the domestic ethanol industry, primarily through the ethanol tax credit (a 45-cent-per-gallon federal tax credit that is provided to domestic fuel blenders that purchase and blend ethanol with gasoline) and the renewable fuel standard (a federal law that requires overall transportation fuels to contain certain volumes of biofuels, such as ethanol and biodiesel, among other things). The ethanol tax credit was important in helping to create a profitable corn starch ethanol industry when the industry had to fund investment in new facilities, but is less important now for sustaining the industry because most of the capital investment in corn starch ethanol refineries has already been made. In 2009, the fuel standard was at a level high enough to ensure that a market for domestic ethanol production existed in the absence of the ethanol tax credit and may soon itself have been at a level beyond what could have been consumed by the nation's existing vehicle infrastructure.</p>	<p>Because the fuel standard allowed increasing annual amounts of conventional biofuels through 2015, which ensured a market for a conventional corn starch ethanol industry that was already mature, GAO recommended that Congress consider whether revisions to the ethanol tax credit, such as reducing the tax credit or allowing the tax credit to expire, were needed.</p>
	<p>GAO found that the ethanol tax credit and the fuel standard could have been duplicative in stimulating domestic production and the ethanol tax credit could have resulted in substantial annual cost to the Treasury in foregone revenues.</p>	<p>Congress allowed the ethanol tax credit to expire at the end of 2011, which reduced revenue losses by \$4.5 billion in fiscal year 2012 and \$6.1 billion in fiscal year 2013.</p>
	<p>See also <i>Biofuels: Potential Effects and Challenges of Required Increases in Production and Use</i>. GAO-09-446. Washington, D.C.: August 25, 2009.</p>	

Source: [GAO-11-318SP](#), [GAO-12-342SP](#), and [GAO-13-279SP](#). | GAO-15-49SP

The best approach for reducing or better managing identified fragmentation, overlap, or duplication will depend on the specifics of the programs in question—for example, how they are administered and by which agency, where they operate, and whom they are designed to serve—and the positive and negative effects analysts have identified in Steps 2 and 3 of this guide. Approaches may require changes by program administrators, changes by agency management, new legislation, or a combination of actions. Further, each identified option likely will have potential trade-offs and unintended consequences. As a result, in addition to determining which negative effects of fragmentation, overlap, and duplication will be eliminated through change, analysts should also determine which positive effects might be lost. Table 6 describes the potential positive effects of options to reduce or better manage fragmentation, overlap, and duplication, as well as some questions analysts can consider to evaluate the potential trade-offs and unintended consequences of these options.

Table 6: Potential Positive Effects of Implementing Options to Reduce or Better Manage Fragmentation, Overlap, and Duplication and Questions to Consider on Potential Trade-offs and Unintended Consequences

Assessment area	Potential positive effects of recommended options	Questions to consider regarding potential trade-offs and unintended consequences
Implementation	<ul style="list-style-type: none"> The programs collectively will cover all who are eligible for benefits, services, or products. Programs and agencies will work together to provide logical and coordinated benefits, services, or products. Related program and agency roles and responsibilities will be clear. Related programs and agencies will have strategic agreements in place to help achieve outcomes. 	<ul style="list-style-type: none"> What is the agency's (or agencies') capacity for and commitment to change? What legal restrictions might prevent implementation? Will there be significant changes to program benefits, services, or products? How will other programs be affected? Will beneficiaries know where and how to obtain benefits, services, or products?
Outcomes and impact	<ul style="list-style-type: none"> Those who are eligible will receive benefits, services, or products. Beneficiaries will receive benefits in a coordinated manner. Agencies will be able to measure the "whole" effort when agencies and programs work together to meet shared goals and objectives. 	<ul style="list-style-type: none"> Will a loss of expertise or resources affect the ability to effectively achieve goals? Will any benefits be lost or diminished? What is the likely effect of change on performance measurement, accountability, and the consistency of implementation? What is the likely effect of change on innovation and experimentation? Would necessary (or protective) redundancies be eliminated?
Cost-effectiveness	<ul style="list-style-type: none"> The provision of benefits, services, or products will be economical and efficient. No reduction in benefits. 	<ul style="list-style-type: none"> What is the investment required to implement change and what are the likely savings or efficiencies resulting from the change?

Source: GAO. | GAO-15-49SP

Analysts may also wish to consult executive branch leaders and program administrators about which options are the most feasible (in terms of resources and capacity) to implement before they make recommendations on how to reduce or better manage the identified fragmentation, overlap, or duplication.

 **4.3 Communicate options to increase efficiency and reduce or better manage fragmentation, overlap, and duplication to policymakers.**

Analysts should determine who (for example, executive branch leaders, oversight committees, and appropriating committees) will be responsible for implementing changes to increase efficiency and reduce or better manage the identified fragmentation, overlap, or duplication. In communicating their findings to policymakers, analysts should outline the specific actions that need to be taken to implement the options, as well as any associated trade-offs.