

## Appendix IV: Additional Options to Reduce or Better Manage Fragmentation, Overlap, and Duplication across the Federal Government

Through a review of prior GAO work and interviews with experts, we identified a number of approaches that could supplement existing congressional processes to increase efficiency and reduce or better manage fragmentation, overlap, and duplication among programs across the federal government. These options include the following:

- executive branch reorganization,
- special temporary commissions,
- interagency groups,
- automatic sunset provisions,
- presidential advisors and assistants, and
- portfolio or performance-based budgeting.

As GAO has noted in the past and as some of the examples below highlight, these options can be used independently or together to assist policymakers in evaluating and addressing fragmentation, overlap, and duplication beyond the programmatic level.<sup>33</sup>

### Executive Branch Reorganization

Reorganization is the transfer, consolidation, coordination, or abolition of a federal agency or function, or the authorization to delegate functions from one executive appointee to another.<sup>34</sup> Both Congress and the president (including executive appointees, such as agency leaders) can play a role in reorganizing executive branch agencies. For example, the president can play a key leadership role by making proposals and publicly supporting legislative action. In addition, the president and executive branch leaders have a number of administrative tools at their disposal for making smaller-scale organizational and procedural changes within agencies. Presidential requests for larger-scale reorganizations that involve more than one agency or that are inconsistent in some manner with existing law require congressional action to implement.

Despite its infrequent use in recent history, reorganization remains a potential tool for reducing or better managing fragmentation, overlap, and duplication in federal programs. Through larger-scale reorganization, the president and Congress may be able to better coordinate or consolidate related programs or functions. However, as illustrated by the following examples, reorganization is only an effective tool when Congress and the president are in agreement on the objectives and expected outcomes resulting from its use—that is, when Congress provides the president with legislative authority to execute the type of reorganization desired.

- **Reorganization Act of 1977.** The Reorganization Act of 1977 authorized the president to submit to Congress plans to reorganize and streamline the executive branch whenever, after investigation, the president found that changes in the organization of agencies were necessary.<sup>35</sup> President Carter

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<sup>33</sup>To the extent that these options would involve establishment by an agency head or Congress, or use by an agency, of a group that qualifies as an "advisory committee" to the federal government—generally a committee, panel, task force, or other similar group with both federal and nonfederal employee members—for the purpose of obtaining advice or recommendations for one or more agencies or officers of the federal government, the group could be subject to the procedural and other requirements of the Federal Advisory Committee Act, 5 U.S.C. App. II.

<sup>34</sup>5 U.S.C. §§ 902, 903.

<sup>35</sup>Pub. L. No. 95-17, 91 Stat. 29 (1977).

submitted and Congress approved 10 reorganization plans under the statute. These plans included a reorganization of the federal personnel management system, including the creation of an Office of Personnel Management, a Merit Systems Protection Board, and a Federal Labor Relations Authority; the establishment of a Federal Emergency Management Agency, to which various functions and entities from various parts of the federal government were transferred; and reorganization of international trade functions and the establishment of a United States Trade Representative within the Executive Office of the President.

- **Obama trade and competitiveness reorganization.** In 2011, President Obama appointed a Deputy Director for Management within the Office of Management and Budget (OMB) to lead an effort to create a plan for executive branch reorganization with a particular focus on executive agencies, departments, and functions that support trade, exports, and competitiveness. Specifically, the Deputy Director of Management was directed to “Establish a Government Reform for Competitiveness and Innovation Initiative... to conduct a comprehensive review of the federal agencies and programs involved in trade and competitiveness, including analyzing their scope and effectiveness, areas of overlap and duplication, unmet needs, and possible cost savings.”<sup>36</sup> In February 2012, the administration submitted to Congress a legislative proposal that, if enacted, would authorize the reorganization of federal agencies. The administration indicated it would use this authority to, among other things, seek to consolidate six business- and trade-related departments and agencies into one department. To date, Congress has not acted on the administration’s request. The President’s fiscal year 2016 budget renews this proposal.

## Special Temporary Commissions

Presidents, federal agencies, and Congress have convened and used special temporary commissions (also referred to as task forces, councils, committees, or working groups) to formulate recommendations to address specific policy issues. Temporary commissions can be beneficial because they provide a place for developing policy alternatives outside of the normal policy-making process, are often bipartisan in nature, may involve both executive and legislative branch representatives, and typically include experts both within and outside government. Many commissions are designed to address issues in a timely manner and then are dissolved. Commissions can be promising, but their ultimate success depends on the extent to which Congress and the executive branch agree on the need for action and on the need to use a nontraditional approach to reach agreement or to develop a specific proposal, as well as on their general willingness to address the recommendations of such commissions.

Special temporary commissions represent a potential opportunity for policymakers, executive branch leaders, and experts to convene to examine federal programs and devise recommendations on how to reduce or better manage fragmentation, overlap, or duplication among them. A number of experts we spoke to said that a commission designed to address fragmentation, overlap, and duplication could be modeled on the following:

- **Base Realignment and Closure Commissions.** Under laws passed in 1988 and 1990, Congress authorized the establishment of independent Base Realignment and Closure (BRAC) commissions to create a fair process for the timely closure or realignment of Department of Defense (DOD) military bases.<sup>37</sup> The BRAC commissions, typically appointed by the president in consultation with congressional leaders, hold public hearings on military bases and facilities DOD recommends to the committee for closure or realignment. The commissions then make recommendations to the president, who must approve or reject the list, and, if approved, submit the list to Congress for consider-

<sup>36</sup>U.S. President (Obama), “Memorandum on Government Reform for Competitiveness and Innovation,” *Daily Compilation of Presidential Documents* (Mar. 11, 2011).

<sup>37</sup>See the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 101-510, Div. B, Title XXIX (10 U.S.C. § 2687 Note) and the Defense Authorization Amendments and Base Closure and Realignment Act, Pub. L. No. 100-526, Title II (1988) (10 U.S.C. § 2687 Note).

ation. Congress can either disapprove the president's recommendations or take no action to allow them to go into effect. As a result of the most recent BRAC commission in 2005, DOD closed 24 major bases, realigned 24 major bases, and took actions to implement over 765 other BRAC actions across the United States.

- **Hoover Commission.** In 1947 Congress established the Commission on the Organization of the Executive Branch, also known as the Hoover Commission, in part to find ways to eliminate duplication and overlap of services, activities, and functions.<sup>38</sup> The bipartisan commission conducted its work through a number of task forces, each of which was tasked with examining a particular organizational or policy area and making recommendations to improve the efficiency and effectiveness of federal agencies and programs. In total, the commission made more than 200 recommendations to reduce expenditures or curtail and consolidate activities in the executive branch.

## Interagency Groups

Interagency groups (sometimes referred to as task forces, working groups, councils, and committees) can be established by executive order or legislation, or on the initiative of executive branch leaders. Past interagency groups have been used to define national goals, identify and address inefficiencies, and coordinate services, among other things. Interagency groups may provide a forum for executive branch leaders to discuss, identify, and direct the implementation of ways to reduce or better manage fragmentation, overlap, and duplication, as in the following examples:

- **The Interagency Council on Homelessness.** This interagency group was authorized by the McKinney-Vento Homelessness Assistance Act, in part to take such action as may be necessary to reduce duplication among programs and activities by agencies to assist homeless individuals.<sup>39</sup> The council was reauthorized in 2009 under the Homeless Emergency Assistance and Rapid Transition to Housing Act.<sup>40</sup> This interagency group coordinates new responsibilities across agencies and facilitates a unified federal response to homelessness by developing national partnerships among levels of government and the private sector.
- **Rental Policy Working Group.** The Rental Policy Working Group was established by the Domestic Policy Council in 2010 to respond to the need for better coordination of federal rental policy. This group is comprised of the Department of Housing and Urban Development, U.S. Department of Agriculture, and the Department of the Treasury, and includes participation by the National Economic Council and OMB. Although the group does not have a separate budget, its representatives participate in the group's activities as part of fulfilling their responsibilities at their respective agencies. The group has worked together since January 2013 to implement a set of alignment recommendations that would improve coordinated government-wide oversight of subsidized rental housing properties and reduce the administrative burden on affordable housing owners and managers.

## Automatic Sunset Provisions

Automatic sunset provisions would terminate all existing programs after a fixed period of time, which could allow congressional decision makers to look for and address potential fragmentation, overlap, and duplication among programs. Although a broad federal sunset law has never been adopted, many individual programs contain sunset provisions, including aspects of the USA PATRIOT Act of 2001 (certain enhanced foreign intelligence and law enforcement surveillance authority provisions were set to expire at the end of 2005) and the Economic Growth and Tax Relief Reconciliation Act of 2001 and Jobs and Growth Tax Relief

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<sup>38</sup>Pub. L. No. 80-162, 61 Stat. 246 (1947).

<sup>39</sup>Pub. L. No. 100-77, §§ 201-209, 101 Stat. 482 (1987).

<sup>40</sup>Pub. L. No. 111-22, § 1004, 123 Stat. 1632 (2009).

Reconciliation Act of 2003 (both of which included sunset provisions on tax cuts).<sup>41</sup> One concern about this approach is that it does not necessarily target those programs most in need of reexamination.

- **State-level sunset commissions.** A number of states have combined the concept of automatic sunset provisions with that of a special commission. For example, the state of Texas formed the Sunset Advisory Commission in 1977 through the Texas Sunset Act.<sup>42</sup> The commission is a 12-member legislative body tasked with identifying and eliminating waste, duplication, and inefficiency in more than 130 state agencies. The commission seeks public input on every agency under sunset review and recommends actions on each agency to the full legislature. In most cases, agencies under sunset review are automatically abolished unless legislation is enacted to continue them. Since the commission's inception in 1977, 79 agencies have been abolished, including 37 agencies that were completely abolished and 42 that were abolished with certain functions transferred to existing or newly created agencies.

## Presidential Advisors and Assistants

Presidential advisors and assistants are presidential appointees who are solely focused on an issue of great magnitude or policy collaboration within the Executive Office of the President. In the past, presidents have appointed advisors and assistants to spearhead new initiatives or provide immediate and sustained attention to a policy issue or crisis, especially one that cuts across federal agencies. Appointing a presidential advisor or assistant to coordinate federal efforts related to fragmentation, overlap, and duplication among programs could help elevate these issues among federal agencies, policymakers, and the public, as in the following examples:

- **White House Office of Urban Affairs.** In 2009, President Obama issued an executive order establishing the White House Office of Urban Affairs within the Executive Office of the President.<sup>43</sup> The office is headed by a presidential advisor—the Deputy Assistant to the President, Director of Urban Affairs—who is in charge of overseeing the implementation of the principal functions of the office, including providing leadership and coordinating the development of the policy agenda for urban America across executive departments and agencies; coordinating all aspects of urban policy; and working with executive departments and agencies to ensure that federal funds targeted to urban areas are effectively spent on the highest-impact programs.
- **Chair of the President's Council on Year 2000 (Y2K) Conversion.** This position was established under a presidential executive order on February 4, 1998, to ensure that no critical federal program experienced disruption because of the Y2K problem.<sup>44</sup> The chair of this council was tasked with overseeing the activities of agencies, acting as a chief spokesperson in national and international forums, providing policy coordination of executive branch activities with state, local, and tribal governments, and promoting appropriate federal roles with respect to private sector activities. The chair also formed a core team to oversee an intergovernmental coalition at the White House and used existing agency personnel and procurement and administration systems to implement reforms.

## Portfolio or Performance-Based Budgeting

Portfolio or performance-based budgeting considers programs with common performance objectives and outcomes together in the budget process and incorporates program performance into spending and tax

<sup>41</sup>Pub. L. No. 107-16, § 901 (2001); Pub. L. No. 108-27, § 107 (2003); Pub. L. No. 107-56, tit. II, § 224 (2001). Certain sections of the USA PATRIOT Act ceased to have effect on December 31, 2005. However, specific sections of the USA PATRIOT Act have been reauthorized with sunset provisions since that time.

<sup>42</sup>See Sunset Advisory Commission, *Sunset in Texas 2013-2015* (Austin, Tex.: 2013).

<sup>43</sup>Exec. Order No. 13503, 74 Fed. Reg. 8139, 8140 (Feb. 24, 2009).

<sup>44</sup>Exec. Order No. 13073, 63 Fed. Reg. 6467 (Feb. 6, 1998).

policy decisions. According to a report from the Peterson-Pew Commission on Budget Reform, moving to a system of portfolio or performance-based budgeting would allow policymakers to allocate resources based on the relative priority of national policy objectives, and in consideration of the relative cost-effectiveness of alternative approaches and investments, leverage the government's contributions to improve the performance of governmental and nongovernmental federal partners, and increase transparency and improve public understanding of the budget.<sup>45</sup> Portfolio or performance-based budgeting could allow policymakers to help identify and reduce or better manage fragmentation, overlap, and duplication among federal programs because it could help officials more readily compare similar programs.

A number of states and other nations utilize performance information in their budget processes.

- **Washington.** The state of Washington has adopted a statewide outcome-based budgeting approach, also known as performance-based budgeting, that compares and evaluates objectives and program goals to measured results by using performance data to allocate resources. According to the experts we interviewed, the state of Washington used performance data to assess to what extent programs were contributing to established outcomes and either assigned a ranking to each program after seeking input from agencies or grouped them into low-, average-, and high-performing groups to identify the ones that could be eliminated, consolidated, or reinvested. One expert stated that outcome-based budgeting is useful as it allows agencies to identify and collect program information in relation to outcomes, and enables stakeholders and policymakers to have an opportunity to discuss and assess which programs are contributing least to the desired outcomes.
- **Canada.** Canada has instituted various program elements to implement performance-based budgeting, which dates back to the late 1970s and has evolved over time. Canada's performance-based budgeting system has four elements that help synchronize its national and departmental programs with higher-level outcome priorities. First, the Management, Resources, and Results Structures provides clearly defined and measurable strategic outcomes that are intended to facilitate a common, government-wide approach to program evaluation. Each department is required to gather, manage, and report on a series of financial and nonfinancial measures related to their programs. Second, a structured inventory of programs called the Program Activity Architecture provides a framework for how departments' resources, programs, and activities are aligned against these outcomes. This allows oversight bodies to look at activities and progress toward outcomes across agencies. Third, departments track and evaluate each program's progress in achieving milestones and outcomes in the Performance Measurement Framework, which helps support program delivery and management. And fourth, department managers are assessed and held accountable for not only the quality and effectiveness of programs, but also the quality of their management skills.
- **New Zealand.** New Zealand, in response to economic troubles and public sector inefficiency in the 1980s, decentralized its spending authority, changed its fiscal strategy, and improved accountability and oversight to lay the foundation for outcome-based budgeting. The government of New Zealand passed three major pieces of legislation that replaced a centralized budgeting structure, run principally by the Treasury, with a decentralized organization by distributing spending and decision-making authority across 41 ministries. To gain better visibility over finances, New Zealand also adopted accrual-based accounting, switching from cash-based accounting, to allow the country to better match income with expenditures on both national and project levels. At the same time, the government instituted a new performance management framework whereby the department ministers have to specify what actions or outcomes they can achieve with a list of planned expenditures, and use performance measures of the quantity, quality, timeliness, and cost of each good or service produced to report on them. These required performance reports are part of how departments are held accountable for their fiscal decisions and achieving outcomes. Departments are also held accountable through requirements to collaborate in setting strategic priorities and to follow an agreed upon fiscal plan.

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<sup>45</sup>The Peterson-Pew Commission on Budget Reform, *Performance Budgeting* (Dec. 13, 2011).