

GAO

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**GOVERNMENT
PERFORMANCE**

**GPRA Modernization Act
Provides Opportunities to
Help Address Fiscal,
Performance, and
Management Challenges**

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



G A O

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Why GAO Did This Study

The federal government is the world's largest and most complex entity, with about \$3.5 trillion in outlays in fiscal year 2010 that fund a broad array of programs and operations. GAO's long-term simulations of the federal budget show—absent policy change—growing deficits accumulating to an unsustainable increase in debt. While the spending side is driven by rising health care costs and demographics, other areas should also be scrutinized. In addition, there are significant performance and management challenges that the federal government needs to confront.

GAO was asked to testify on how the provisions of the Government Performance and Results Act (GPRA) Modernization Act of 2010 (GPRAMA) could, if effectively implemented, help address these challenges. Our statement is based on our past and ongoing work on GPRA implementation, as well as our recently issued reports (1) identifying opportunities to reduce potential duplication in government programs, save tax dollars, and enhance revenue; and (2) updating our list of government operations at high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement, or the need for broad-based transformation. As required by GPRAMA, GAO will periodically evaluate implementation of the act and report to Congress on its findings and recommendations.

View [GAO-11-466T](#) or key components. For more information, contact Bernice Steinhardt at (202) 512-6543 or steinhardtb@gao.gov.

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GOVERNMENT PERFORMANCE

GPRA Modernization Act Provides Opportunities to Help Address Fiscal, Performance, and Management Challenges

What GAO Found

GAO's past and ongoing work illustrates how GPRAMA could help address government challenges in five areas:

Adopting a more coordinated and crosscutting approach to achieving meaningful results. GPRAMA could help inform reexamination or restructuring efforts and lead to more efficient and economical service delivery in overlapping program areas by identifying the various agencies and federal activities—including spending programs, regulations, and tax expenditures—that contribute to crosscutting outcomes. These program areas could include multiple employment and training programs or numerous teacher quality initiatives, among others.

Addressing weaknesses in major management functions. Agencies need more effective management capabilities to better implement their programs and policies. GPRAMA requires long-term goals to improve management functions in five key areas: financial, human capital, information technology, procurement and acquisition, and real property. GAO's work has highlighted opportunities for improvements in each of these areas and aspects of several of them are on the GAO high-risk list.

Ensuring performance information is both useful and used in decision making. Agencies need to consider the differing needs of various stakeholders, including Congress, to ensure that performance information will be both useful and used. For performance information to be useful, it must be complete, accurate, valid, timely, and easy to use. Yet decision makers often do not have the quality performance information they need to improve results. To help address this need, GPRAMA requires (1) disclosure of information about accuracy and validity, (2) data on crosscutting areas, and (3) quarterly reporting on priority goals on a publicly available Web site.

Instilling sustained leadership commitment and accountability for achieving results. Perhaps the single most important element of successful management improvement initiatives is the demonstrated commitment of top leaders, as shown by their personal involvement in reform efforts. GPRAMA assigns responsibilities to a Chief Operating Officer and Performance Improvement Officer in each agency to improve agency management and performance.

Engaging Congress in identifying management and performance issues to address. In order for performance improvement initiatives to be useful to Congress for its decision making, garnering congressional buy-in on what to measure and how to present this information is critical. GAO has previously noted the importance of considering Congress a partner in shaping agency goals at the outset. GPRAMA significantly enhances requirements for agencies to consult with Congress.

Mr. Chairman, Ranking Member Sessions, and Members of the Committee:

Thank you for the opportunity to discuss how the provisions put into place by the Government Performance and Results Act (GPRA) Modernization Act of 2010 (GPRAMA),¹ could help address significant fiscal, performance, and management challenges facing the federal government. The federal government is the world's largest and most complex entity, with about \$3.5 trillion in outlays in fiscal year 2010 that fund a broad array of programs and operations. Looking forward, our long-term simulations underscore the need to begin addressing the long-term federal fiscal outlook. Absent changes in fiscal policy, the structural imbalance between spending and revenue paths lead to large and growing deficits. The accumulation of large deficits leads to an unsustainable increase in debt over the long term.² This, in turn, will limit budget flexibility and the federal government's ability to respond to future challenges.

Addressing these fiscal challenges will require action on several fronts. First, all federal programs and activities—discretionary programs, mandatory spending, revenues, and tax expenditures—need to be reexamined. Second, program structures that are outmoded, overlapping, duplicative, fragmented, and not up to the challenges of the times must be reformed or restructured. In this regard, we recently issued a report that identified over 80 areas of potential duplication, overlap, or fragmentation as well as cost savings and revenue-enhancing opportunities.³ In addition, weaknesses in management capacity, both governmentwide and in individual agencies, undermine efficient and effective government. Here too, our recent update to our high-risk list identified numerous opportunities to reduce costs and improve government performance.⁴

¹Pub. L. No. 111-352, 124 Stat. 3866 (2011). GPRAMA amends the Government Performance and Results Act of 1993, Pub. L. No. 103-62, 107 Stat. 285 (1993).

²GAO, *The Federal Government's Long-Term Fiscal Outlook: Fall 2010 Update*, GAO-11-201SP (Washington, D.C.: Nov. 15, 2010). GAO updates these simulations twice each year. Updates and additional information on the federal fiscal outlook, federal debt, and the outlook for state and local government sector is available at: <http://www.gao.gov/special.pubs/longterm>.

³GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011). An interactive, Web-based version of the report is available at: <http://www.gao.gov/ereport/gao-11-318SP>.

⁴GAO, *High-Risk Series: An Update*, GAO-11-278 (Washington, D.C.: February 2011). Additional information available on GAO's High-Risk and Other Major Government Challenges Web site, <http://www.gao.gov/highrisk>.

Moving forward, the GPRA Modernization Act can offer opportunities to help make tough choices in setting priorities as well as reforming programs and management practices to better link resources to results.

My statement today, which is based on our past and ongoing work, will focus on five key areas where the requirements of GPRAMA could help address government challenges. In particular, the act calls for:

- a more coordinated and crosscutting approach to achieving meaningful results,
- efforts to address weaknesses in major management functions,
- ensuring performance information is both useful and used in decision making,
- sustained leadership commitment and accountability for achieving results, and
- engaging Congress in identifying management and performance issues to address.

Finally, my statement will speak to GAO's role in evaluating implementation of this act.

Adopting a More Coordinated and Crosscutting Approach to Achieving Meaningful Results

The federal government faces a series of challenges that in many instances are not possible for any single agency to address alone. Many federal program efforts, including those related to ensuring food safety, providing homeland security, monitoring incidence of infectious diseases, or improving response to natural disasters, transcend more than one agency. Agencies face a range of challenges and barriers when they attempt to work collaboratively. GPRAMA establishes a new framework aimed at taking a more crosscutting and integrated approach to focusing on results and improving government performance. It requires the Office of Management and Budget (OMB), in coordination with agencies, to develop—every 4 years—long-term, outcome-oriented goals for a limited number of crosscutting policy areas. On an annual basis, OMB is to provide information on how these long-term crosscutting goals will be achieved.

This approach 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 proposals for new programs.

Our recent report on duplication, overlap, and fragmentation highlights a number of areas where a more crosscutting approach is needed—both across agencies and within a specific agency. Effective GPRAMA implementation could help inform reexamination or restructuring efforts related to these and other areas by identifying the various agencies and federal activities—including spending programs, regulations, and tax expenditures—that contribute to each crosscutting goal. Examples from our work include:

- *Employment and training programs:* In fiscal year 2009, 47 federal employment and training programs spent about \$18 billion to provide services, such as job search and job counseling, to program participants. Most of these programs are administered by the Departments of Labor, Education, and Health and Human Services (HHS). We found that 44 of the 47 programs overlap with at least one other program in that they provide at least one similar service to a similar population. Our review of 3 programs among the largest—Temporary Assistance for Needy Families (TANF), Employment Service, and Workforce Investment Act (WIA) Adult programs—found that they provide some of the same services to the same population through separate administrative structures. Although the extent to which individuals receive the same services from these programs is unknown due to limited data, these programs maintain parallel administrative structures to provide some of the same services such as job search assistance to low-income individuals.

At the state level, the TANF program (which also provides a wide range of other services) is typically administered by the state human services or welfare agency, while the Employment Service and WIA Adult programs are typically administered by the state workforce agency and provided through one-stop centers. Agency officials acknowledged that greater efficiencies could be achieved in delivering services through these programs but said factors such as the number of clients that any one-stop center can serve and one-stop centers' proximity to clients, particularly in rural areas, could warrant having multiple entities provide the same services. Colocating services and consolidating administrative structures may increase efficiencies and reduce costs, but implementation can be challenging.

Some states have colocated TANF employment and training services in one-stop centers where Employment Service and WIA Adult services are provided. Three states—Florida, Texas, and Utah—have gone a step further by consolidating the agencies that administer these programs, and state officials said this reduced costs and improved services, but they

could not provide a dollar figure for cost savings. States and localities may face challenges to colocating services, such as limited office space. In addition, consolidating administrative structures may be time consuming and any cost savings may not be immediately realized.

To facilitate further progress by states and localities in increasing administrative efficiencies in employment and training programs, we recommended in 2011 that the Secretaries of Labor and HHS work together to develop and disseminate information that could inform such efforts. As part of this effort, Labor and HHS should examine the incentives for states and localities to undertake such initiatives, and, as warranted, identify options for increasing such incentives. Labor and HHS agreed they should develop and disseminate this information. HHS noted that it lacks legal authority to mandate increased TANF-WIA coordination or create incentives for such efforts. Sustained oversight by Congress could help ensure progress is realized.

- *Military health system.* The responsibilities and authorities for the Department of Defense's (DOD) military health system are distributed among several organizations within DOD with no central command authority or single entity accountable for minimizing costs and achieving efficiencies. Under the military health system's current command structure, the Office of the Assistant Secretary of Defense for Health Affairs, the Army, the Navy, and the Air Force each has its own headquarters and associated support functions. Annual military health system costs have more than doubled from \$19 billion in fiscal year 2001 to \$49 billion in 2010 and are expected to increase to over \$62 billion by 2015.

DOD has made varying levels of progress in implementing limited actions to consolidate certain common administrative, management, and clinical functions. However, to reduce duplication in its command structure and eliminate redundant processes that add to growing defense health care costs, DOD could take action to further assess alternatives for restructuring the governance structure of the military health system. A May 2006 report by the Center for Naval Analyses showed that if DOD and the services had chosen to implement one of the three larger-scale alternative concepts studied by DOD, the department could have achieved significant savings. Our adjustment of those projected savings into 2010 dollars indicates those savings could range from \$281 million to \$460 million annually depending on the alternative chosen and numbers of military, civilian, and contractor positions eliminated. DOD officials said that they generally agreed with the facts and findings in our analysis.

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- *Teacher quality programs:* In fiscal year 2009, the federal government spent over \$4 billion specifically to improve the quality of our nation's 3 million teachers through numerous programs across the government. 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. The proliferation of programs has resulted in fragmentation that can frustrate agency efforts to administer programs in a comprehensive manner, limit the ability to determine which programs are most cost effective, and ultimately increase program costs.

In 2009, we recommended that the Secretary of Education 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. The Department of Education has established working groups to help develop more effective collaboration across Education offices, and has reached out to other agencies to develop a framework for sharing information on some teacher quality activities, but it has noted that coordination efforts do not always prove useful and cannot fully eliminate barriers to program alignment, such as programs with differing definitions for similar populations of grantees, which create an impediment to coordination.

Congress could help eliminate some barriers through legislation, particularly through the pending reauthorization of the Elementary and Secondary Education Act of 1965 and other key education bills. Specifically, to minimize any wasteful fragmentation and overlap among teacher quality programs, Congress may choose either to eliminate programs that are too small to evaluate cost effectively or to combine programs serving similar target groups into a larger program. Education has already proposed combining 38 programs into 11 programs in its reauthorization proposal, which could allow the agency to dedicate a higher portion of its administrative resources to monitoring programs for results and providing technical assistance.

- *Domestic ethanol production:* Congress supported domestic ethanol production through a \$5.4 billion tax credit program in 2010 and through a renewable fuel standard that applies to transportation fuels used in the United States. The ethanol tax credit and the renewable fuel standard can be duplicative in stimulating domestic production and use of ethanol, and can result in substantial loss of revenue to the Treasury. The ethanol tax credit was recently extended at 45 cents per gallon through December 31, 2011. The tax credit will cost \$5.7 billion in forgone revenues in 2011. Because the fuel standard allows increasing annual amounts of

conventional biofuels through 2015, which ensures a market for a conventional corn starch ethanol industry that is already mature, Congress may wish to consider whether revisions to the ethanol tax credit are needed, such as reducing, modifying, or phasing out the tax credit.

Addressing Weaknesses in Major Management Functions

Although agencies have made progress improving their operations in recent years, they need more effective management capabilities to better implement new programs and policies. As part of the new governmentwide framework created by GPRAMA, OMB is required to develop long-term goals to improve management functions across the government. The act specifies that these goals should include five areas: financial management, human capital management, information technology management, procurement and acquisition management, and real property management.⁵ All five of these areas have been identified by GAO as key management challenges across the government.⁶ Moreover, some aspects of these areas have warranted our designation as high risk, either governmentwide or at certain agencies—such as strategic human capital management and real property management across the federal government and financial management at DOD.

In addition, a number of the cost-savings or revenue-enhancement opportunities we recently identified touch on needed improvements to management functions.⁷ Examples include:

- *Noncompetitive contracts*: Federal agencies generally are required to award contracts competitively, but a substantial amount of federal money is being obligated on noncompetitive contracts annually. Federal agencies obligated approximately \$170 billion on noncompetitive contracts in fiscal year 2009 alone. While there has been some fluctuation over the years, the percentage of obligations under noncompetitive contracts recently has been in the range of 31 percent to over 35 percent.

Although some agency decisions to forego competition may be justified, we found that when federal agencies decide to open their contracts to competition, they frequently realize savings. For example, the Department

⁵31 U.S.C. § 1120(a)(1)(B).

⁶More information on our work related to challenges in these five management functions is available at <http://www.gao.gov/highrisk/challenges/>.

⁷[GAO-11-318SP](#)

of State (State) awarded a noncompetitive contract for installation and maintenance of technical security equipment at U.S. embassies in 2003. In response to our recommendation, State subsequently competed this requirement, and in 2007 it awarded contracts to four small businesses for a total savings of over \$218 million. In another case, we found in 2006 that the Army had awarded noncompetitive contracts for security guards, but later spent 25 percent less for the same services when the contracts were competed.

In July 2009, OMB called for agencies to reduce obligations under new contract actions that are awarded using high-risk contracting authorities by 10 percent in fiscal year 2010. These high-risk contracts include those that are awarded noncompetitively and those that are structured as competitive but for which only one offer is received. While sufficient data are not yet available to determine whether OMB's goal was met, we are currently reviewing the agencies' savings plans to identify steps taken toward that goal, and will continue to monitor the progress agencies make toward achieving this and any subsequent goals set by OMB.

- *Undisbursed grant balances:* Past audits of federal agencies by GAO and Inspectors General, as well as agencies' annual performance reports, have suggested grant management challenges, including failure to conduct grant closeouts and undisbursed balances, are a long-standing problem. In August 2008, we reported that during calendar year 2006, about \$1 billion in undisbursed funding remained in expired grant accounts in HHS's Payment Management System—the largest civilian grant payment system, which multiple agencies use. In August 2008, we recommended that OMB instruct all executive departments and independent agencies to track undisbursed balances in expired grant accounts and report on the resolution of this funding in their annual performance plan and Performance and Accountability Reports. As of January 13, 2011, OMB had not issued governmentwide guidance regarding undisbursed balances in expired grant accounts.
- *Unneeded real property:* Many federal agencies hold real property they do not need, including property that is excess or underutilized. Excess and underutilized properties present significant potential risks to federal agencies because they are costly to maintain. For example, in fiscal year 2009, agencies reported underutilized buildings accounted for over \$1.6 billion in annual operating costs. In a June 2010 Presidential Memorandum to federal agencies, the administration established a new target of saving \$3 billion through disposals and other methods by the end of fiscal year 2012; the President reiterated this goal in his 2012 budget. However, federal agencies continue to face obstacles to disposing of unneeded

property, such as requirements to offer the property to other federal agencies, then to state and local governments and certain nonprofits at no cost. If these entities cannot use the property, agencies may also need to comply with costly historic preservation or environmental cleanup requirements before disposing of the property. Finally, community stakeholders may oppose agencies' plans for property disposal.

OMB could assist agencies in meeting their property disposal target by implementing our April 2007 recommendation of developing an action plan to address key problems associated with disposing of unneeded real property, including reducing the effect of competing stakeholder interests on real property decisions. The President's fiscal year 2012 budget proposed the Civilian Property Realignment Act (CPRA) for congressional consideration. The act would establish a Civilian Property Realignment Board modeled on the Base Closure and Realignment Commission. We are engaged in discussions with Congress to determine how we can best support Congress, should the act become law.

Ensuring Performance Information Is Both Useful and Used in Decision Making

Agencies need to consider the differing information needs of various users—such as agency top leadership and line managers, OMB, and Congress—to ensure that performance information will be both useful and used in decision making. We have previously reported that to be useful, performance information must meet diverse users' needs for completeness, accuracy, validity, timeliness, and ease of use. GPRAMA puts into place several requirements that could address these needs.

- *Completeness:* Our work on overlap and duplication has found crosscutting areas, such as surface transportation programs or domestic food assistance programs, where performance information is limited or does not exist. In shedding light on these areas, the new crosscutting planning and reporting requirements could lead to the development of performance information in areas that are currently incomplete.
- *Accuracy and validity:* Agencies are required to disclose more information about the accuracy and validity of their performance information in their performance plans and reports, including the sources for their data and actions to address limitations to the data.
- *Timeliness and ease of use:* While agencies will continue to report annually on progress towards the rest of their goals, GPRAMA requires reporting for governmentwide and agency priority goals on a quarterly basis. By also requiring information to be posted on a governmentwide Web site, the act will make performance information more accessible and

easy to use by stakeholders and the public, thus fostering transparency and civic engagement.

In addition, to help ensure that performance information is used—not simply collected and reported as a compliance exercise—GPRAMA requires top leadership and program officials to be involved in quarterly reviews of priority goals. During these sessions, they are expected to review the progress achieved toward goals; assess the contributions of underlying federal organizations, programs, and activities; categorize goals by their risk of not being achieved; and develop strategies to improve performance.

To be successful, these officials must have the knowledge and experience necessary to use and trust the information they are gathering. Building analytical capacity to use performance information and to ensure its quality—both in terms of staff trained to do the analysis and availability of research and evaluation resources—is critical to using performance information in a meaningful fashion and will play a large role in the success of government performance improvements. Federal officials must understand how the performance information they gather can be used to provide insight into the factors that impede or contribute to program successes; assess the effect of the program; or help explain the linkages between program inputs, activities, outputs, and outcomes. To that end, within 1 year of enactment, GPRAMA requires the Office of Personnel Management (OPM), in consultation with the Performance Improvement Council, to identify the key skills and competencies needed by federal employees to carry out a variety of performance management activities including developing goals, evaluating programs, and analyzing and using performance information. Once those key skills and competencies are identified, OPM is then required to incorporate those skills and competencies into relevant position classifications and agency training no later than 2 years after enactment.

Instilling Sustained Leadership Commitment and Accountability for Achieving Results

Perhaps the single most important element of successful management improvement initiatives is the demonstrated commitment of top leaders. This commitment is most prominently shown through the personal involvement of top leaders in developing and directing reform efforts. Organizations that successfully address their long-standing management weaknesses do not “staff out” responsibility for leading change. Top leadership involvement and clear lines of accountability for making management improvements are critical to overcoming organizations’ natural resistance to change, marshalling the resources needed in many

cases to improve management, and building and maintaining the organizationwide commitment to new ways of doing business.

GPRAMA creates several new leadership structures and responsibilities aimed at sustaining attention on improvement efforts at both the agency and governmentwide levels. The act designates the deputy head of each agency as Chief Operating Officer (COO), with overall responsibilities for improving the management and performance of the agency. In addition, the act requires each agency to designate a senior executive as Performance Improvement Officer (PIO) to support the COO. The act also establishes a Performance Improvement Council—chaired by the OMB Deputy Director for Management and composed of PIOs from various agencies—to assist the Director of OMB in carrying out the governmentwide planning and reporting requirements.

GPRAMA also creates individual and organizational accountability provisions that have the potential to keep attention focused on achieving results. For each governmentwide performance goal, a lead government official is to be designated and held responsible for coordinating efforts to achieve the goal. Similarly, at the agency level, for each performance goal, an agency official, known as a goal leader, will be responsible for achieving the goal. To promote overall organizational accountability, the act requires OMB to report each year on unmet agency goals. Where a goal has been unmet for 3 years, OMB can identify the program for termination or restructuring, among other actions.

Engaging Congress in Identifying Management and Performance Issues to Address

In order for performance improvement initiatives to be useful to Congress for its decision making, garnering congressional buy-in on what to measure and how to present this information is critical. In past reviews, we have noted the importance of considering Congress a partner in shaping agency goals at the outset. Congressional committee staff, in discussing the Program Assessment Review Tool (PART)⁸ developed by the previous administration, told us that communicating the PART assessment results was not a replacement for the benefit of early consultation between Congress and OMB about what they consider to be

⁸OMB described PART, which was created in 2002, as a diagnostic tool meant to provide a consistent approach to evaluating federal programs as part of the executive budget formulation process.

the most important performance issues and program areas warranting review.⁹

While GPRA called for agencies to consult with Congress on their strategic plans, the act did not provide detailed or specific requirements on the consultation process or how agencies were to treat the information they obtained. GPRAMA significantly enhances requirements for agencies to consult with Congress when establishing or adjusting governmentwide and agency goals. OMB and agencies are to consult with relevant committees, obtaining majority and minority views, about proposed goals at least once every 2 years. In addition, OMB and agencies are to describe on the governmentwide Web site or in their strategic plans, respectively, how they incorporated congressional input into their goals.

Beyond this opportunity to provide input to OMB and agencies as they shape their plans, Congress can also play a decisive role in fostering results-oriented cultures in the federal government by using information on agency goals and results as it carries out its legislative responsibilities. For example, authorizing, appropriations, and oversight committees could schedule hearings to determine if agency programs have clear performance goals, measures, and data with which to track progress and whether the programs are achieving their goals. Where goals and objectives are unclear or not results-oriented, Congress could articulate the program outcomes it expects agencies to achieve. This would provide important guidance to agencies that could then be incorporated in agency strategic and annual performance plans. Most important, congressional use of agency goals and measured results in its decision making will send an unmistakable message to agencies that Congress considers agency performance a priority. Congressional oversight and sustained attention by top administration officials are essential to ensuring further improvement in the performance of federal programs and operations. In fact, as we noted in our recent high-risk issues report, these two factors were absolutely critical to making the progress necessary for the DOD Personnel Security Clearance Program and the 2010 Census to be removed from our high-risk list.¹⁰

⁹GAO, *Performance Budgeting: PART Focuses Attention on Program Performance, but More Can Be Done to Engage Congress*, [GAO-06-28](#) (Washington, D.C.: Oct. 28, 2005).

¹⁰[GAO-11-278](#).

GAO's Role in Evaluating GPRAMA, High Risks, and Other Major Government Challenges

Realizing the promise of GPRAMA for improving government performance and accountability and reducing waste will require sustained oversight of implementation. GAO played a major role in evaluating the implementation of the original GPRA's strategic and annual performance planning requirements, including various pilot provisions. For example, by evaluating agency plans during a pilot phase, we were able to offer numerous recommendations for improvement that led to more effective final plans.¹¹ We further supported implementation by reporting on leading management practices that agencies should employ as they implemented GPRA.¹²

Similarly, GPRAMA includes provisions requiring GAO to review implementation of the act at several critical junctures, and provide recommendations for improvements to implementation of the act. First, following a period of interim implementation, by June 2013, GAO is to report on implementation of the act's planning and reporting requirements—at both the governmentwide and agency levels. Subsequently, following full implementation, by September 2015 and 2017, GAO is to evaluate whether performance management is being used by federal agencies to improve the efficiency and effectiveness of agency programs. Also in September 2015 and 2017—and every 4 years thereafter—GAO is to evaluate the implementation of the federal government priority goals and performance plans, and related reporting required by the act.

Looking ahead, a number of other required recurrent reports will help to inform Congress about government management and performance. For example, GAO has an ongoing statutory requirement to report each year on federal programs, agencies, offices, and initiatives, either within departments or governmentwide, which have duplicative goals or activities.¹³ In addition, each year GAO reports on its audit of the consolidated financial statements of the U.S. government¹⁴ and the

¹¹See for example, GAO, *Managing for Results: Critical Issues for Improving Federal Agencies' Strategic Plans*, [GAO/GGD-97-180](#) (Washington, D.C.: Sept. 16, 1997) and *Managing for Results: An Agenda to Improve the Usefulness of Agencies' Annual Performance Plans*, [GAO/GGD/AIMD-98-228](#) (Washington, D.C.: Sept. 8, 1998).

¹²See for example, GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1996).

¹³Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), 31 U.S.C. § 712 note.

¹⁴31 U.S.C. § 331(e)(2).

condition of federal financial management systems.¹⁵ GAO continues to report periodically to Congress on the adequacy and effectiveness of agencies' information security policies and practices and other requirements of the Federal Information Security Management Act of 2002.¹⁶

Additionally, the Presidential Transition Act of 2000¹⁷ identifies GAO as a source of briefings and other materials to help inform presidential appointees of the major management issues, risks, and challenges they will face. During the last presidential transition, we identified for Congress and the new administration urgent issues and key program and management challenges in the major departments and across government. Finally, GAO reports to each new Congress on government operations that it identifies as high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement, or the need for broad-based transformation to address economy, efficiency, or effectiveness challenges.

In conclusion, everything must be on the table as we address the federal long-term fiscal challenge. While the long-term outlook is driven on the spending side of the budget by rising health care costs and demographics, other areas of the budget should not be exempt from scrutiny. All areas should be reexamined in light of the contributions they make to achieving outcomes for the American public. If programs are overlapping, fragmented, or duplicative, they must be streamlined. Programs and management functions at significant risk of waste, fraud, and abuse must be corrected. GPRAMA provides the administration and Congress with new tools to identify strategies that are achieving results as well as those that are ineffective, duplicative, or wasteful that could be eliminated. GAO stands ready to help Congress ensure that the act's promises are met.

Thank you, Mr. Chairman, Ranking Member Sessions, and Members of the Committee. This concludes my prepared statement. I would be pleased to answer any questions you may have.

¹⁵31 U.S.C. § 3512 note.

¹⁶E-Government Act of 2002, Pub. L. No. 107-347, Title III, 116 Stat. 2899, 2946 (2002).

¹⁷Pub. L. No. 106-293, §2(3), 114 Stat. 1035 (2000).

Contacts

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