FEDERAL REAL PROPERTY ASSET MANAGEMENT

Additional Direction in Government-Wide Guidance Could Enhance Natural Disaster Resilience

Why GAO Did This Study

The federal government spends billions of dollars each year to manage real property assets, such as buildings, levees, and roads. The rising frequency and severity of natural disasters expose these assets to damage and the government to fiscal liabilities. In 2020, the United States experienced 22 separate billion-dollar natural disasters. As the owner of real property assets, federal agencies can enhance the natural disaster resilience of real property through asset management. This can include actions to prepare for disasters.

GAO was asked to determine how agencies prevent or reduce damage to real property caused by natural disasters. This report addresses (1) how selected agencies have incorporated natural disaster resilience into their assets and (2) the extent to which government-wide guidance directs agencies to incorporate natural disaster resilience into asset management.

To conduct this work, GAO reviewed key characteristics and principles for asset management and natural disaster resilience from GAO's prior work; reviewed agency documents; interviewed officials from four selected agencies that owned a large number of assets (U.S. Army Corps of Engineers, General Services Administration, National Park Service, and FWS); and reviewed OMB guidance.

What GAO Recommends

GAO recommends that OMB direct agencies to incorporate assessments of natural disaster risk information, such as from vulnerability assessments, into asset management investment decisions. OMB had no comments on this recommendation.

View GAO-21-596. For more information, contact Jill Naamane at (202) 512-2834 or naamanej@gao.gov.

What GAO Found

Selected agencies have taken some actions to incorporate resilience to natural disasters into their assets through processes used to make portfolio-wide decisions—known as "asset management". GAO has previously identified characteristics for effective asset management, such as using quality data on assets. GAO found that selected agencies varied in how they incorporated resilience when applying these characteristics. For example, some agencies collected natural disaster risk data across their portfolios by conducting vulnerability assessments, whereas, others have not. In addition, officials from all four selected agencies said they primarily incorporate resilience information when constructing or repairing individual projects by using current design standards or assessing specific natural disaster risks. For example, according to officials from the U.S. Fish and Wildlife Service (FWS), a building at the McFaddin National Wildlife Refuge in Texas was able to sustain multiple hurricanes because it was rebuilt to exceed design standards.

Project at the McFaddin National Wildlife Refuge that Elevated Concrete Piers and Improved the Roof Design to Address Hurricane Risks

Source: The Department of the Interior's Fish and Wildlife Service. I GAO-21-596

GAO found that federal government-wide guidance and requirements on asset management direct agencies to address risks such as climate change but do not explicitly direct them to incorporate natural disaster resilience into asset management decisions. In particular, a January 2021 executive order requires agencies to develop a climate action plan describing their vulnerabilities. However, neither this order nor Office of Management and Budget's (OMB) guidance require agencies to use the information collected to make investment decisions. Accordingly, agencies with high exposure to future natural disasters may not proactively incorporate resilience into decisions when prioritizing investments across their portfolios. According to the International Organization for Standardization's standard on climate change and GAO's *Disaster Resilience Framework,* organizations should assess how they might be affected by climate change, including natural disasters, and apply that information to decision-making. Using information gathered from tools, such as vulnerability assessments, can help agencies determine if an investment in assets to enhance resilience could provide the most value to the agencies in meeting their missions when compared to other potential investments.

_____ **United States Government Accountability Office**