

GAO Highlights

Highlights of [GAO-17-123](#), a report to congressional requesters

Why GAO Did This Study

Federal property management has been on GAO's High-Risk list since 2003, in part because the government maintains too much excess and underutilized property. GSA has the authority to dispose of property for all federal entities under the Federal Property and Administrative Services Act of 1949, as amended. However, some federal entities (either departments or departmental components) have been provided with independent statutory authority to dispose of buildings and other types of property and, in some cases, retain proceeds from such disposals.

GAO was asked to review the extent to which federal entities have disposal authority independent of the Property Act, including the authority to retain proceeds. This report examines (1) the scope of building disposal authorities held by civilian Chief Financial Officer Act (CFO Act) agencies and USPS; (2) the results of these federal entities' use of their disposal authorities during fiscal years 2011 through 2015; and (3) the factors that drive building disposal decisions, and what additional authorities officials at selected federal entities believe could help facilitate these disposals. GAO surveyed 22 CFO Act agencies, interviewed officials from 12 federal entities that reported having disposal authority, reviewed statutory authorities and guidance materials, and analyzed disposal data from fiscal years 2011 through 2015 for these entities.

GAO provided a draft of this product to 15 agencies for comment and 8 provided technical comments, which were incorporated as appropriate.

View [GAO-17-123](#). For more information, contact Dave Wise at (202) 512-2834 or wised@gao.gov

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FEDERAL BUILDING MANAGEMENT

Building Disposal Authorities Provide Varying Degrees of Flexibility and Opportunities for Use

What GAO Found

Twenty civilian federal entities reported they have at least one statutory authority that allows them to dispose of federally owned buildings under their control. Fifteen entities reported the authority to retain proceeds from building disposals. However, most of these federal entities reported limited use of their independent authorities during fiscal years 2011 through 2015. Seven entities that reported having disposal authority used it during this time frame, and 5 entities that reported having authority to retain proceeds did so (see figure below). The scope of disposal authorities varies among entities; about half have broad authority but these entities only account for about 9 percent of domestic federal buildings. Other authorities are limited, for example, to specific types of facilities or methods of disposal. In addition, statutory authorities to retain proceeds also vary, with most restricting how a federal entity may use the proceeds.

Five of the 7 entities that reported using their independent disposal authority reported using it for only about 8 percent of the buildings they disposed of in fiscal year 2015. The General Services Administration (GSA) and the U.S. Postal Service (USPS) have broad authorities that were used for all of their disposals. The five federal entities that retained proceeds reported about \$557 million from all building sales, not just those in which they used their authority from fiscal years 2011 through 2015. Of this amount, USPS's building disposals accounted for \$446 million, GSA for \$89 million, and the other 3 entities accounted for the remaining \$22 million.

Officials from most of the federal entities GAO interviewed said building disposal decisions are mainly based on mission needs rather than the authorities. Officials from 5 entities said they would like the authority to use proceeds from building sales to cover costs of preparing buildings for disposal, such as the cost of environmental remediation. Currently, up-front disposal costs compete with ongoing operations and maintenance costs for budget resources.

Statutory Limitations of Authorities to Dispose Buildings and Retain Proceeds

Federal entities that used disposal authority fiscal years 2011-2015	Disposal authority limited by statute	Retention of proceeds authority limited by statute	Used retention of proceeds authority, fiscal years 2011-2015
Forest Service	✓	✓	💰
Department of Energy	✓	✓	✗
Indian Health Service	✓		
Coast Guard	✓	✓	💰
Federal Aviation Administration	✓		💰
General Services Administration		✓	💰
United States Postal Service			💰

At least one authority has statutory restriction
 Used authority
 Did not use authority
 Does not have authority
 Not applicable. The statutory restriction does not apply to the federal entity.

Source: GAO analysis of survey responses and statutory authorities. | GAO-17-123