

Why GAO Did This Study

Federal discretionary appropriations declined by roughly 12 percent between FY 2010 and 2015. To better understand issues agencies face in an environment of declining resources and how agencies could address them, GAO developed a framework in 2012 for examining agencies' efforts to manage declining resources.

GAO was asked to examine the specific actions agencies are taking to manage declining resources and the effects on services to the public. This report examined (1) to what extent selected agencies' actions to manage in an environment of declining resources aligned with GAO's framework and (2) the effects, if any, declines in discretionary spending after 2009 had on services to the public at selected agencies.

GAO applied its framework to three agencies selected based on budget data from FY 2010 through 2014. For the larger agencies (EPA and ETA), GAO selected two programs within each agency for review. GAO reviewed agency documents; and interviewed agency officials, program partners, and external stakeholders.

What GAO Recommends

GAO makes three recommendations, including that FLETC finalize its plan for the Online Campus and ETA systematically identify lessons learned by the UI program that could help it respond to future economic downturns. FLETC concurred. ETA did not state whether it concurred or not but stated it believed the recommendation does not fully recognize its existing efforts. GAO continues to believe the recommendation is valid as discussed in the report.

View [GAO-17-79](#). For more information, contact Heather Krause at (202) 512-6806 or krauseh@gao.gov

DECLINING RESOURCES

Selected Agencies Took Steps to Minimize Effects on Mission but Opportunities Exist for Additional Action

What GAO Found

The three selected agencies GAO reviewed for this report—the Employment and Training Administration (ETA), Federal Law Enforcement Training Centers (FLETC), and the Environmental Protection Agency (EPA)—each took a number of different approaches to manage declining resources that aligned with the three key themes outlined in GAO's framework. For example:

- 1. Top Management Should Lead Efforts to Manage Declining Resources.** ETA's Office of Foreign Labor Certification top management led efforts to ensure the agency maintains capacity to achieve its mission by taking steps to restructure its workforce to better use existing staff to address changes in workload. This includes cross-training its workforce to achieve greater interoperability of employees among its three processing centers.
- 2. Data Analytics Should Guide Decision Making.** EPA used Lean Six Sigma, a data-driven process-improvement methodology, to evaluate agency processes and identify opportunities to make them more efficient. For example, EPA's Office of Pesticide Programs reported that it reduced the time it takes to post pesticide product labels, which provide critical information about proper use and handling of pesticides.
- 3. Agencies Should Develop Cost-Cutting and Cost-Avoidance Strategies.** FLETC reported that in FY 2013 and 2014 the agency reviewed its service contracts to identify potential cost avoidance opportunities. As a result, FLETC reported avoiding roughly \$8 million out of \$81 million in service contracts by reducing or eliminating nonessential services, such as reducing hours for the information technology (IT) service desk support and consolidating security guard services.

However, opportunities exist for top management at selected agencies to take additional actions to ensure they maintain capacity to achieve their missions and avoid costs. For example, FLETC is working to develop an Online Campus initiative, which would provide distance-learning opportunities and represents a potential long-term cost avoidance strategy that could help the agency maintain capacity to provide necessary law enforcement training. However, FLETC has not yet finalized its plan for the Online Campus with steps and timeframes needed to ensure successful implementation. At ETA, the most recent recession tested the Unemployment Insurance (UI) program's capacity, but ETA has yet to systematically identify lessons learned to help ensure UI maintains capacity should workload increase again. Following through on these actions could help agencies better manage limited resources and maintain capacity to achieve their missions.

Some agency officials and stakeholders reported that actions taken by the selected agencies affected timeliness and service level for some programs. While some stakeholder organizations commended the agencies for their efforts to continue to achieve their missions with fewer resources, they also noted that some actions had negative effects on individuals, businesses, states, localities, and others. The effects they cited included delays in receiving unemployment benefits and disruptions to businesses resulting from delays in processing foreign labor applications and pesticide registration applications.