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**GAO-20-430T**

**United States Government Accountability Office**

**Testimony**

**Before the Subcommittee on the Legislative Branch,  
Committee on Appropriations, U.S. Senate**

# **FISCAL YEAR 2021 BUDGET REQUEST**

## **U.S. GOVERNMENT**

## **ACCOUNTABILITY OFFICE**

**STATEMENT OF GENE L. DODARO, COMPTROLLER  
GENERAL OF THE UNITED STATES**

**Accessible Version**

# GAO Highlights

Highlights of [GAO-20-430T](#), a testimony before the Subcommittee on the Legislative Branch, Committee on Appropriations, U.S. Senate

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## Background

GAO's mission is to support Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. We provide nonpartisan, objective, and reliable information to Congress, federal agencies, and to the public, and recommend improvements across the full breadth and scope of the federal government's responsibilities.

In fiscal year 2019, GAO issued 1,607 new recommendations. Congress used our work extensively to inform its decisions on key fiscal year 2019 and 2020 legislation. Since fiscal year 2000, GAO's work has resulted in over:

- \$1.16 trillion dollars in financial benefits; and
- 24,750 program and operational benefits that helped to change laws, improve public services, and promote sound management throughout government.

GAO remains an employer of choice in the public sector. The Partnership for Public Service announced again in 2019 that GAO was one of the top places to work in the federal government, placing third position among mid-size agencies and first for supporting diversity.

In fiscal year (FY) 2019, GAO's work yielded a record \$214.7 billion in financial benefits, a return of about \$338 for every dollar invested in GAO. We also identified 1,418 other benefits that led to improved services to the American people, enhanced public safety, and strengthened programs and operations across the government. In addition, GAO reported on 35 areas designated as high risk due to their vulnerabilities to fraud, waste, abuse, and mismanagement or because they face economy, efficiency, or effectiveness challenges. These FY 2019 High Risk Series products alone resulted in 44 testimonies, \$170.8 billion in financial benefits, and 710 other benefits.

For FY 2021, GAO is requesting \$706 million in appropriated funds, an increase of \$76 million compared with the FY 2020 enacted level, and authority to use

\$31.3 million in offsetting receipts and reimbursements. These resources will support 3,250 full-time equivalent positions. The additional FTE will primarily bolster the Science, Technology Assessment, and Analytics team and bring on additional appropriations law attorneys. The funding requested will also support priority investments in our information technology and building infrastructure, security requirements, as well as address long deferred needs. As reported in our FY 2019 financial statements, GAO's backlog of deferred maintenance on its 69 years old Headquarters Building had grown to over \$80 million as of fiscal year end.

This level of funding will enable GAO to meet the highest priority needs of the Congress, as we remain committed in helping Congress meet its constitutional responsibilities for the benefit of the American people. In FY 2019, GAO responded to 671 requests for work from 90 percent of the standing committees of the Congress. Our senior executives were asked to testify 97 times before 50 different committees or subcommittees on a wide range of issues that touched virtually all major federal agencies. The activities planned for FY 2021 will better position GAO to assist the Congress in meeting its legislative and oversight responsibilities, accomplish our mission objectives and goals, and improve government performance and accountability.

In FY 2021, we will continue to support Congressional oversight across the wide array of government programs and operations. In particular, the Science, Technology Assessment, and Analytics team will

continue to expand our focus on rapidly evolving science and technology issues. The team focuses on: (1) conducting technology assessments at the request of the Congress; (2) providing technical assistance to Congress on science and technology matters; (3) continuing the development and use of technical guides to assess major federal acquisitions and technology programs in areas such as technology readiness, cost estimating, and schedule planning; (4) supporting Congressional oversight of federal science programs; and (5) advancing GAO's ability to use data analytics in auditing federal programs.

With additional funding we will also bolster our capabilities to review the opportunities and challenges associated with the risks and management needs to address complex and growing cyber security developments; increased investments in the Department of Defense; and rising health care costs.

# Letter

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## Fiscal Year 2021 Request

Chairman Hyde-Smith, Ranking Member Murphy, and Members of the Subcommittee, thank you for the opportunity to discuss GAO's fiscal year (FY) 2021 budget request. I greatly appreciate the subcommittee's support of our efforts to serve the Congress and improve government performance, accountability, and transparency. With this support, GAO has identified over \$1.16 trillion dollars in financial benefits and more than 24,750 program and operational benefits since 2000. In FY 2019, GAO's work yielded a record \$214.7 billion in financial benefits, a return of about

\$338 for every dollar invested in GAO. We also identified 1,418 other benefits that led to improved services to the American people, enhanced public safety, and strengthened programs and operations across the government.

For FY 2021, GAO is requesting \$706 million in appropriated funds, an increase of \$76 million compared with the FY 2020 enacted level, and authority to use \$31.3 million in offsetting receipts and reimbursements. These resources will support 3,250 full-time equivalent (FTE) positions. The additional FTE will primarily bolster the Science, Technology Assessment, and Analytics (STAA) team and bring on additional appropriations law attorneys. The funding requested will also support priority investments in our information technology and building infrastructure, security requirements, as well as address long deferred needs. As reported in our FY 2019 financial statements, GAO's backlog of deferred maintenance on its 69 years old Headquarters Building had grown to over \$80 million as of fiscal year end.

This level of funding will enable GAO to meet the highest priority needs of the Congress and support Congressional oversight across the wide array of government programs and operations. The activities planned for FY 2021 will better position GAO to assist the Congress in meeting its legislative and oversight responsibilities, accomplish our mission objectives and goals, and improve government performance and accountability.

The following provides a summary by program for the FY 2021 request.

**Table 1: FY 2019 – 2021 Summary of Resources by Program (dollars in thousands)**

Program	Fiscal Year 2019 Actual		Fiscal Year 2020 Enacted		Fiscal Year 2021 Request		Net Change Fiscal Year 2020 / 2021	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Human capital	3,161	\$516,458	3,200	\$557,843	3,250	\$600,307	50	\$42,464
							1.6%	7.6%
Engagement support		\$14,055		\$13,000		\$14,800		\$1,800
								13.8%
Infrastructure operations		\$105,452		\$106,378		\$124,856		\$18,478
								17.4%
Center for Audit Excellence		\$1,061		\$1,100		\$2,500		\$1,400
								127.3%
<b>Total budget authority</b>	<b>3,161</b>	<b>\$637,026</b>	<b>3,200</b>	<b>\$678,321</b>	<b>3,250</b>	<b>\$742,463</b>	<b>50</b>	<b>\$64,142</b>
							<b>1.6%</b>	<b>9.5%</b>
Offsets <sup>a</sup>		(\$47,388)		(\$48,321)		(\$36,321)		\$12,000
								(24.8%)
<b>Appropriation</b>		<b>\$589,638</b>		<b>\$630,000</b>		<b>\$706,142</b>		<b>\$76,142</b>
								<b>12.1%</b>

Source: GAO. | GAO-20-430T

<sup>a</sup>Includes offsetting receipts and reimbursements from program and financial audits, rental income, training fees, collection of bid protest system user fees, supplemental funds for disaster audits, and for FY 2019, carryover of FY 2018 two-year funds.

## Meeting the Priority Needs of Congress

In FY 2021, we will continue to support Congressional oversight across the wide array of government programs and operations. In particular, the STAA team will continue to expand our focus on rapidly evolving science and technology issues. The team focuses on: (1) conducting technology assessments at the request of the Congress; (2) providing technical assistance to Congress on science and technology matters; (3) continuing the development and use of technical guides to assess major federal acquisitions and technology programs in areas such as technology readiness, cost estimating, and schedule planning; (4) supporting Congressional oversight of federal science programs; and (5) advancing GAO’s ability to use data analytics in auditing federal programs.

With additional funding we will also bolster, among other work responding to congressional priorities, our capabilities to review the opportunities and challenges associated with the risks and management needs to address complex and growing cyber security developments, increased investments in the Department of Defense and rising health care costs.

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## Assessing Evolving Science and Technology Issues

The conference report accompanying the 2019 Legislative Branch Appropriations encouraged GAO to reorganize its technology and science function by creating a new, more prominent office within GAO and provide a detailed plan and timeline for establishing the new office.

In response, in January 2019, GAO established the Science, Technology Assessment, and Analytics (STAA) team as part of a reorganization to enhance our ability to provide Congress with thorough and balanced analysis of technological and scientific developments. In March 2019, we submitted our plan to this Subcommittee describing the revised organizational structure within GAO for this team; plans for the team's staffing, resources, and areas of expertise; and the products and services this team will provide to Congress. Over the last year, we have continued to build the team's staff and its capabilities, recently hiring 26 new staff, with plans to hire 20 more in FY 2020. Currently, we have 80 staff in the team, our goal is to grow to 100 by FY 2020 year end.

In October 2019, the National Academy of Public Administration (NAPA) issued its report, also required by the conference report that found that Congress needs to bolster its ability to obtain and use information regarding emerging technology. Among NAPA's recommendations was that GAO continue to expand its production of technical assessments and short-to-medium term studies on emerging technology issues.

Additionally, in report language accompanying the Further Consolidated Appropriations Act, 2020, Congress encouraged GAO to dedicate a specific number of experts to work exclusively on science, technology assessment, and analytics issues. Consistent with Congress' desire for GAO to provide greater assistance in the science and technology realm, in this budget we are requesting additional funding to complete the March 2019 plan for staffing and information technology tools to support Congress in this area.

**Demonstrated ability to provide science and technology analyses.** GAO provides a variety of science and technology products and services to Congress, growing its science and technology portfolio by adding technology assessments, engineering/project controls best practices guides, and most recently, our Science & Tech Spotlight series.

STAA's current staff level is about one-half of what was outlined in the 2019 Plan, so we will continue to grow our current science and technology workforce over the next few years. Under this request, we plan to grow STAA to 140 full-time equivalent total staff as we adapt to meet future congressional demand. We will continually assess optimum staffing levels for the team based on congressional needs and product demand. As we continue to assess anticipated future work and science and technology issues that will be of interest to the Congress, we have hired and plan to continue hiring to add expertise in areas such as biological/life sciences, computer/systems/electrical engineering, applied math/engineering/computer science, nuclear physics, quantum computing and physics/aerospace engineering.

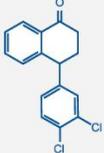
In addition to permanent staff, we are exploring actively recruiting temporary or limited-term staff to meet project-specific needs, particularly around the latest science and technology advances. Such staff could include experts from the National Academies or Intergovernmental Personnel Act detailees. We will seek additional authorities if necessary to obtain needed expertise.

**Technology assessments.** Our technology assessments analyze the latest developments in science and technology, draw attention to implications of technological change, and make core concepts accessible to policymakers. The content of technology assessments varies. They may:

- highlight potential short-, medium-, and long-term impacts of scientific advancement and/or technological development;
- elaborate on and communicate the risks and benefits associated with a technology, including early insights into the potential impacts of technology;
- highlight the status, viability, and relative maturity of a given technology—especially in the context of a complex acquisition program;
- evaluate federal investments in science and technology; and
- present policy options designed to inform decision makers on potential courses of action and the opportunities and challenges associated with each option.

Technology assessments time frames depend on their scope, but they can be completed within several months. Figure 1 highlights some recent technology assessments.

**Figure 1: Examples of Technology Assessments**

	<p><b>Artificial Intelligence in Health Care:</b> Benefits and Challenges of Machine Learning in Drug Development GAO-20-215SP</p>	<p>Identifies several challenges that hinder the adoption and impact of machine learning in drug development. The report includes six policy options in response to these challenges. These were developed through a range of expert interviews, some in conjunction with the National Academies.</p>
	<p><b>Irrigated Agriculture:</b> Technologies, Practices, and Implications for Water Scarcity GAO-20-128SP</p>	<p>Provides an overview of irrigation technologies and practices that could reduce water usage. Also discusses factors that influence the adoption of efficient irrigation technology and how efficient irrigation technologies impact water conservation. Provides policy options in the area.</p>
	<p><b>Critical Infrastructure Protection:</b> Protecting the Electric Grid from Geomagnetic Disturbances GAO-19-98</p>	<p>Reports on the potential effects of geomagnetic disturbances on the U.S. electric grid, and technologies to prevent or mitigate a disturbance. Also discusses factors that could affect the development and implementation of these technologies.</p>
	<p><b>Artificial Intelligence:</b> Emerging Opportunities, Challenges, and Implications GAO-18-142SP</p>	<p>Discusses how artificial intelligence (AI) has evolved over time, the opportunities and future promise, as well as the principal challenges and risks. Report includes the policy implications and research priorities resulting from advances in AI concerning cybersecurity, automated vehicles, criminal justice, and financial services.</p>
	<p><b>Chemical Innovation:</b> Technologies to Make Processes and Products More Sustainable GAO-18-307</p>	<p>Assesses selected technologies that are available or in development to make chemical processes and products more sustainable. Describes the contributions of the federal government, industry, and others to the development and use of such technologies.</p>
	<p><b>Medical Devices:</b> Capabilities and Challenges of Technologies to Enable Rapid Diagnoses of Infectious Diseases GAO-17-347</p>	<p>For multiplex point-of-care technologies, describes performance and costs. Discusses challenges and potential benefits of these technologies.</p>
	<p><b>Internet of Things:</b> Status and Implications of an Increasingly Connected World GAO-17-75</p>	<p>Describes the state of the Internet of Things, the purposes and uses of the technologies, along with potential implications.</p>

Source: GAO. | GAO-20-430T

**Science & Tech Spotlights.** We also provide Congress with foresight through our Science & Tech Spotlights. Launched in 2019, Spotlights are two-page overviews for policymakers and the public. Each describes an emerging science and technology development, the opportunities and challenges it brings, and the relevant policy context. Spotlights are designed to inform Congress of key developments in a timely and efficient manner, generally before congressional requests for deeper inquiries.

Spotlights are completed in a few to several weeks. Our first four Spotlights, address blockchain ([GAO-19-704SP](#)), hypersonic weapons ([GAO-19-705SP](#)), opioid vaccines ([GAO-19-706SP](#)), and probabilistic genotyping software ([GAO-19-707SP](#))—with the latter topic now requested as part of a full technology assessment project. In the near future we will publish Spotlights addressing 5G wireless technology; CRISPr<sup>1</sup> (clustered regularly interspaced short palindromic repeats) gene editing; deep fake videos; and nuclear microreactors.

**Science and technology horizon scanning and issue tracking.** In addition to working on specific foresight-related products, our staff continually perform horizon scanning to support Congress. Further, awareness and evaluation of trends in science and technology are part of our ongoing strategic planning efforts in GAO's 2018-2023 Strategic Plan for Serving Congress and the Nation, including genome editing, artificial intelligence and automation, quantum information science, brain computer interfaces and augmented reality, and cryptocurrencies and blockchain. Our staff track advancements in these areas to inform our current and future products and services. The issues we focus on will change over time as our horizon-scanning identifies new priority issues.

Our ongoing work develops science and technology content across a mixture of product types, key topics, and for a variety of congressional committees. Figure 2 shows selected current work in science and technology.

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<sup>1</sup> CRISPr technology is a simple yet powerful tool for editing genomes. It allows researchers to alter DNA sequences and modify gene function. Its many potential applications include correcting genetic defects, treating and preventing the spread of diseases and improving crops.

**Figure 2: Examples of Ongoing Science and Technology Work**

	Topic (Product Type)	Congressional Clients
	CRISPR gene editing and surrounding policy context (Science & Tech Spotlight)	Biomedical, Agriculture, and National/Homeland security-related committees and caucuses
	Information on deepfake video technology (Science & Tech Spotlight)	Technology-related committees and caucuses
	Nuclear microreactors technology (Science & Tech Spotlight)	Energy-related committees and caucuses
	Performance, usage, and challenges of 5G wireless networks (Science & Tech Spotlight and Technology Assessment)	House Committee on Armed Services, House Permanent Select Committee on Intelligence, House Committee on Science, Space, and Technology, and Senate Select Committee on Intelligence
	Artificial intelligence in the delivery of health care services (Technology Assessment)	Senate Committee on Health, Education, Labor, and Pensions, and House Committee on Energy and Commerce
	Algorithms used in forensics, including DNA fingerprints and facial recognition (Technology Assessment)	Security and technology-related committees and caucuses
	Infectious disease modeling as it relates to public health decisions (Performance Evaluation)	House Committee on Energy and Commerce
	Federal efforts to address antibiotic resistance (Performance Evaluation)	Senate Committee on Health, Education, Labor, and Pensions, and House Committee on Energy and Commerce
	Department of Homeland Security's new biodetection technology system (Technology Assessment and/or Performance Evaluation)	Senate Committee on Homeland Security and Governmental Affairs, House Committee on Energy and Commerce, House Committee on Homeland Security, House Committee on Science, Space, and Technology
0100101001 1001010101	Identify and describe Agile software development best practices (Best Practice Guide)	Appropriations, Budget, and technology-related committees and caucuses
\$	An update to GAO's 2009 Cost Estimating and Assessment Guide (Best Practice Guide)	Appropriations, Budget, and oversight-related committees and caucuses

Source: GAO. | GAO-20-430T

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## Addressing Complex and Growing Cyber Security Threats

Increasingly sophisticated threats and frequent cyber incidents underscore the continuing and urgent need for effective information security. In FY 2019, our Information Technology and Cybersecurity team hired nearly 30 new information technology/cybersecurity analysts— positioning us to expand our body of work in this area. Our work identified cybersecurity vulnerabilities in areas including weapon system acquisitions, the 2020 U.S. Census, and information systems at the 23 civilian agencies covered by the Chief Financial Officers Act of 1990.

Given the 2017 Equifax data breach and the potential for fraud, we also reviewed the federal government’s reliance on commercial consumer reporting agencies to help verify the identities of people who apply for benefits online and recommended that the National Institute for Standards and Technology (NIST) issue related guidance for alternative verification methods.

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## Assisting Congress in Overseeing the Department of Defense

Our work will continue to include the security of federal information systems, such as key agencies’ capabilities for preventing and addressing security incidents; the cybersecurity of critical infrastructure, such as financial markets, telecommunications, and the electricity grid; and the security of taxpayer and consumer information.

Congress has provided significant funding to DOD—including about \$695 billion in FY 2020—and charged GAO with conducting oversight of DOD activities to ensure effective and efficient use of these resources. GAO’s oversight of DOD has consistently contributed to meaningful advances within the department and significant benefits for the taxpayer. For example, in FY 2019, DOD implemented our recommendations to better counter insider threats by incorporating risk assessments into its insider- threat programs; improve military installations’ compliance with drinking water regulations by clarifying its reporting requirements for violations of these regulations; and enhancing collaboration within the Nuclear Weapons Council Standing and Safety Committee by working with the Department of Energy to formally define the roles, responsibilities, structure, and functions of this critical body.

Our defense-related work over the last year led to substantial cost savings, including a \$1.08 billion reduction in DOD’s Operation and Maintenance budget due to excess balances that we had identified. GAO also provided Congress with timely, insightful information on DOD’s development, testing, and acquisition of major weapon systems.

Congressional actions implemented our recommendations that DOD inject more discipline into its processes for buying major weapon systems; as a result, taxpayers saved more than \$160 billion over the past 10 years.

In the coming year, GAO will continue to support Congressional oversight of DOD through traditional audit work, testimonies at congressional hearings, special publications, and technical assistance, such as budget justification reviews. This work, much of it directed by the FY 2020 National Defense Authorization Act, which contained 112 provisions directing

GAO reviews, an increase of 44 percent from the prior year, will focus on key areas of interest to the congressional defense committees.

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## Assisting Congress with Health Care Challenges

### Assisting the Congress in Shaping Legislation

Putting the nation on a sustainable fiscal path requires that the government better understands and restrains the growth in health care spending—about 27 percent of the federal budget. We have studies underway to examine how drug prices compare across federal programs (Medicare, Medicaid, and VA), how prices in the U.S. compare with those in other countries, and how direct-to-consumer advertising may inflate federal health care spending. More work is also needed to assess the integrity of the Medicare and Medicaid programs, which together accounted for approximately one quarter of federal spending and an estimated \$104 billion in improper payments in FY 2019.

Notably, Medicaid improper payments grew from \$36 billion to \$57 billion in FY 2019. We worked with the Centers for Medicare & Medicaid Services (CMS) and OMB to improve the Medicaid portion of the Compliance Supplement, which is used by state auditors during their annual audit of state entities that administer federal financial assistance programs. The resulting changes to the Compliance Supplement will better position state auditors to detect concerns within their state's Medicaid program.

In FY 2020, we will continue to assist Congress by building on our work in areas such as veterans' health issues. For example, we are currently conducting original data collection and analysis on the number of veterans who have committed suicide on VA property and on the actions VA has taken in response to these deaths.

The Congress continues to use GAO's work to inform key legislative decisions. Recent examples linked directly to GAO's work include:

- **The Appropriations Act of 2020 (and explanatory statements).** Based on GAO's work, Congress required agencies to submit reports on their progress in implementing GAO recommendations related to
  - simplifying, and increasing transparency and outreach for a student loan forgiveness program,
  - evaluating a program that offers Pell grants to about 8,000 incarcerated students, and
  - securing Census's platform and personal data and mitigating risks identified by GAO.

Congress also directed the Secretary of the Department of Veterans Affairs to implement GAO recommendations intended to improve recruitment and retention initiatives for healthcare providers in rural and highly rural areas and other recommendations related prescribing drugs as part of veteran health treatment and improving oversight of opioids in the treatment of veterans, credentialing health providers who treat veterans to prevent disqualified providers from delivering patient care, and staffing and training patient advocates at the Department of Veterans Affairs (VA) medical centers.

- National Defense Authorization Act of 2020 (and committee reports). Based on GAO work
  - Consistent with our work on potential widespread power outages resulting from cyberattacks against industrial control systems that support grid operations, the legislation included the Securing Energy Infrastructure Act, which requires federal agencies and the energy industry to craft a national plan addressing cyber threats to the electric grid.
  - Congress directed the Secretaries of Labor and Defense to implement several GAO recommendations related to defense contracting, TRICARE improper payments, and Department of Defense whistleblower protection.
  - The committee also commended GAO for its report on unmanned aerial systems and pilot promotion rates and directed the Secretary of the Air Force to establish a mechanism to review the justifications for non-operational staff positions requiring pilot expertise at regular intervals and to report to the committee on the mechanism to be established to accomplish these periodic reviews.
    - **The Fostering Undergraduate talent by Unlocking Resources for Educations Act (The FUTURE Act)**. Consistent with our June 2019 recommendation, Congress directed the Department of Education to obtain IRS taxpayer data to verify student-loan borrower income information, which will save an estimated \$1.8 billion over 5 years.
    - **The Payment Integrity Information Act of 2019**. Consistent with our past work on improper payments, Congress passed legislation that codifies and enhances current improper payments law. These enhancements include more guidance on agency risk assessments and improper payment estimates, a requirement for OMB to report an annual governmentwide estimate, and a process for clearer and more consistent reporting on programs that do not comply with improper payments criteria. This bill also establishes an interagency working group on payment integrity.

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## Financial and Program Benefits

- **The Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act**. The Congress directed the Commissioner to consider the findings from GAO's report on combating the fraudulent provision of misleading or inaccurate caller identification information when promulgating rules to help protect subscribers from receiving unwanted calls or text messages from a caller using an unauthenticated number [spoofed calls].
- **The Building Blocks of STEM Act**. Consistent with our 2018 work on STEM education programs, Congress modified the National Science Foundation (NSF) grant programs that support STEM education; instructed the NSF to improve the focus of research and development on early childhood education when awarding grants under the Discovery Research PreK-12 program; and specified how NSF grants to increase the participation of underrepresented populations in STEM fields may be used for research into various subjects.
- **The Federal Advance Contracts Enhancement Act (FACE Act)**. The bill, which passed the Senate, codifies numerous GAO recommendations relating to the Federal Emergency Management Agency regarding its management of advance contracts in future disasters.

- **The Taxpayer First Act.** Also reflecting our work, the Congress directed the Commissioner of the IRS to improve IRS's efforts to verify a taxpayer's identity and help prevent identity theft refund fraud and develop a comprehensive customer service strategy and protect IRS whistleblowers against employer retaliation.

**Financial Benefits.** In FY 2019, we documented a record \$214.7 billion in financial benefits for the government—a return of about \$338 for every dollar invested in us. Our average return for the last five years is about

\$171 to \$1. We have also reached a return of at least \$100 to \$1 for seven of the last eight years. Examples of our financial benefits included contributing to the (1) reductions in the Department of Defense's (DOD) procurement costs for weapon systems acquisitions (\$136.1 billion); (2) reductions in the Department of Education's cost estimates for student loans (\$24.2 billion); and (3) improvement in the Internal Revenue Service's (IRS) efforts to combat identity theft refund fraud (\$900.2 million).

**Other Benefits.** Many other benefits resulting from our work cannot be measured in dollars but lead to program and operational improvements. In FY 2019, we recorded 1,418 of these other benefits. For example, our work on public safety and security:

- led the Congress to establish grant programs to test for and remediate sources of lead in school drinking water, including replacing old water fountains;
- spurred awareness and wide-ranging discussions on weapon system cybersecurity vulnerabilities based on our work; and
- helped prompt the Congress to hold hearings on how best to protect consumers' internet privacy in the wake of several high-profile incidents where consumers' personal data were improperly shared over the internet.

Similarly, our work related to vulnerable populations:

- led VA's Veterans Health Administration (VHA) to issue a suicide prevention media and outreach management standard operating procedure—outlining its oversight structure, including roles and responsibilities, to help ensure continuity of its suicide prevention efforts;
- prompted the Congress to include provisions in the Every Student Succeeds Act to improve outcomes for children in foster care; and
- led the Indian Health Service—which provides health care to American Indians and Alaskan Natives via its Purchased/Referred Care Program—to take action aimed at improving program needs estimates and continuity of services.

Furthermore, our work in the area of agency operations:

- prompted the U.S. Citizenship and Immigration Services to improve the tools used by its asylum officers to help them better distinguish between applications that comply with law and those that do not; and
- led the Census Bureau to fully implement 79 of 107 recommendations we have made over the past decade to address serious concerns about the bureau's ability to conduct a secure and cost-effective 2020 count of the nation's population—a high-risk area since 2017.

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## Evaluating Federal Disaster Response and Recovery Issues

Executing on the plan provided to Congress outlining our use of the \$24 million in supplemental disaster audit appropriations GAO received in FYs 2018 and 2019, we have issued 34 reports and have another 21 audits underway as of February 19. (See GAO's [Disaster Assistance Webpage](#).) We have expended about \$13.1 million and expect to expend \$10 million of the supplemental appropriations in FY 2020-2021 on these audits. In FY 2019, this work yielded 19 products and 52 recommendations in four key areas:

- **Disaster Contracting.** FEMA strengthening how it plans, coordinates, and tracks its contracts. To address this issue, the Senate passed the Federal Advance Contracts Enhancement Act.
- **Disaster Response.** FEMA and the American Red Cross including key mass care organizations in coordination and planning efforts and for HHS to address deficiencies highlighted by recent hurricanes, such as insufficient staffing at emergency operations centers.
- **Disaster Assistance.** FEMA addressing challenges that some individuals who are older or have disabilities may have faced registering for and receiving assistance from FEMA and its nonfederal partners.
- **Puerto Rico and U.S. Virgin Islands.** FEMA addressing funding, oversight, and recovery challenges.

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## Building Bodies of Knowledge

Through the products issued this year, we continued to build on bodies of work related to our three broad strategic goals. Examples include:

- **High-risk areas.** In early 2021, we will issue the next full biennial update of our High Risk Report to the new Congress to focus attention on government operations that are vulnerable to fraud, waste, abuse, and mismanagement or need transformation.

In our last report, issued in March 2019, we offered solutions to 35 high-risk problems ([GAO-19-157SP](#)). Over the past 14 years (FYs 2006 through 2019) financial benefits to the federal government due to progress in addressing high-risk areas totaled about \$520 billion— averaging \$37 billion per year. Since our 2017 report, seven areas improved, three regressed, two had mixed progress, and the balance were largely unchanged.

- **Fragmentation, overlap, and duplication.** In spring 2020, we will issue our next duplication, overlap, and fragmentation report. We anticipate that it will continue to identify new recommendations for the Congress and executive branch agencies. Our 2019 annual report identified 98 new actions that could reduce fragmentation, overlap, and duplication, or provide other cost savings and revenue enhancement opportunities across the federal government ([GAO-19-285SP](#)).

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# Focusing on Congressional Priorities

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## Managing Our Internal Operations

Significant progress has been made in addressing many of the 805 actions that we identified from 2011 to 2018 to reduce costs, increase revenues, and improve agency operations. As of March 2019, the Congress and executive branch agencies had fully addressed 436 (54 percent) and partially addressed 185 actions (23 percent) of these 805 actions—yielding about \$216 billion in financial benefits between 2010 and 2018, with \$46 billion more projected in the future. This work has also led to key other (non-financial) benefits, including (1) identifying and addressing skills gaps in mission-critical occupations at the IRS, and (2) providing active duty service members, veterans, and their families with better care from improved management of DOD and VA health care programs.

**Serving Our Clients.** In FY 2019, GAO received requests for work from 90 percent of the standing committees of the Congress. We issued 678 products and made over 1,600 recommendations. Our senior executives were asked to testify 97 times before 50 different committees or subcommittees on a wide range of issues that touched virtually all major federal agencies.

**Outreach Efforts.** I continued to meet with the Chairs and Ranking Members of congressional committees to obtain their views on GAO's work, including their priorities, and to discuss opportunities and challenges facing our Nation. In addition, we continued to highlight the status of key recommendations, citing progress made, and the benefits of full implementation. In FY 2019, agencies implemented 77 percent of our recommendations against a target of 80 percent—matching our 2018 performance. I also continued to send letters to the heads of most federal departments, recognizing their progress in implementing our priority recommendations and calling attention to those still requiring action.

These letters were also sent to congressional committees of jurisdiction to inform their oversight and published on our website.

The hard work and dedication of our diverse and professional multidisciplinary staff positioned GAO to achieve a 95 percent on-time delivery of our products in FY 2019. Our performance also indicates that staff received the support needed to produce high-quality work. We met or exceeded the targets for our seven people measures—exceeding our targets for new hire rate, retention rate with retirements, staff development, staff utilization, effective leadership by supervisors, and organizational climate; and met our target for retention rate without retirements. GAO also remained a federal employer of choice, ranking third among mid-size federal agencies as a best place to work and first for supporting diversity by the Partnership for Public Service.

In FY 2019, GAO again received an unmodified or “clean” opinion from independent auditors on our financial statements for FY 2019 and our internal control over financial reporting. There was no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements tested. We demonstrated that all detailed performance and financial

information is complete and reliable in order to achieve high standards for accuracy and transparency.

We also continued efforts to support our fourth strategic goal to maximize our value by enabling quality, timely service to the Congress and being a leading practices federal agency. We made progress addressing our three internal management challenges: managing a quality workforce; improving the efficiency of our engagements; and ensuring the confidentiality, integrity, and availability of GAO's information technology services. With this budget request, we are planning to achieve and maintain 3,250 FTE in FY 2021.

**Information Technology.** GAO's information technology infrastructure serves as the backbone/foundation upon which all its work is produced. As such, this vital function must constantly be updated, improved, and secured. In FY 2020, GAO rolled out a new updated virtual desktop infrastructure that enhances staff's ability to perform its duties in a secure and robust environment.

While GAO has worked hard to improve its capacity to support Congress, there remains very important work to accomplish. GAO's priorities for IT development in FY 2020 include consolidating and virtualizing all data center components and infrastructure with automatic failover for business continuity and disaster recovery capability needs and migrate to cloud computing infrastructure.

We are also requesting funding to support STAA's information technology and analytics capacity and data lab. Specifically, the funding will allow STAA to:

- equip a state-of-the collaborative space to conduct data science experiments, define, design, and execute advanced analytics pilot projects;
- build prototypes of emerging technologies such as Blockchain/digital ledgers as well as Machine Learning/Artificial Intelligence systems; and
- develop a framework for algorithmic accountability in Machine Learning/Artificial Intelligence systems.

The lab will help GAO provide Congress with critical foresight, oversight, and insight of science and technology issues to help ensure continued American innovation, competitiveness, and security.

In FY 2020, we will also develop the requirements for replacing our 30- year-old content and records management system used to do our audits with a modern and secure cloud Enterprise Content Management solution. In the long term, this new system will allow our employees to work more efficiently and at the same time improve GAO's efficiency by eliminating custom code and using commercial off the shelf software. In FY 2021, GAO will build off this requirements analysis to procure this important new system that will truly modernize the agency's fundamental tools and establish a solid foundation for the coming years.

Additionally, in FY 2021, GAO plans to complete its development and deployment of our platform to edit, fact check and distribute our reports (New Blue). New Blue will streamline the publishing processes to enable efficient and scalable publication of products in a responsive web-based format intended to accommodate the rising demand for content that is accessible on

mobile devices and can be quickly and easily navigated by Congressional staff during hearings or by users on the go.

Throughout these projects, GAO will enhance its security posture through improved and new security tools and infrastructure, while maintaining compliance with policy and federal standards.

**Facilities, Building, and Security.** While most of GAO's staff is located at its Headquarters in Washington, DC, GAO maintains a presence in strategic locations where federal activities take place throughout the country. GAO is always working to ensure our headquarters and field office locations operate as efficiently as possible, and we continue to reduce our real property footprint as we identify opportunities through the leasing process.

As reported in our FY 2019 financial statements, GAO has deferred maintenance at its headquarters building, which now exceeds \$80 million. This includes heating and air conditioning infrastructure and major electrical equipment that are original to our building and past their useful life. GAO is requesting additional funding to begin addressing deferred maintenance and protect this valuable asset from quickening deterioration.

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## Legal Work

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### Strategic Planning

Our Office of the General Counsel (OGC) handled about 2,200 bid protests and issued approximately 600 decisions on the merits. OGC also issued several decisions related to the Antideficiency Act and agencies' use of appropriated funds during the partial government shutdown. For example, we concluded that the U.S. Department of the Interior (Interior) violated the purpose statute and the Antideficiency Act when, during a lapse in Interior's appropriations, it obligated certain fees for expenses that it normally would charge to annual operating appropriations. GAO concluded that the General Services Administration (GSA) did not violate the Antideficiency Act when it obligated available appropriations to enter into an interagency agreement with the National Park Service to reopen the Old Post Office Observation Tower during the same period.

During FY 2019 and FY 2020, OGC increased the number of attorneys assigned to the appropriations law team as encouraged by Congress. Specifically, we added 3.5 attorneys in FY 2019, which included an attorney detailed from another legal team for 6 months. However, the team also lost two attorneys. For FY 2020, as of February 21, we have added three additional attorneys and plan to add five additional attorneys (through lateral hiring and transfers) to bring the total appropriations law staff to 18 attorneys by the end of March 2020, doubling the size of the team since FY 2018. We have also reorganized the office to ensure adequate resources to respond to informal inquiries as well as formal requests. The additional funding requested for FY 2021 will allow GAO to enhance the resources allocated to its important appropriations law functions.

As the nation confronts a series of both new and long-standing challenges, this plan describes our goals and strategies to support the Congress to identify cost savings and other financial opportunities; to make government more accountable, efficient and

effective; and ultimately to improve the safety, security, and well-being of the American people. GAO's Strategic Plan provides a comprehensive roadmap for how the agency will support the most important priorities of Congress and the Nation ([GAO-18-396SP](#)). This plan reflects the full scope of the federal government's operations, as well as emerging and future trends that may affect government and society. As part of our strategic planning process, we emphasize foresight, continuous environmental scanning, and trend analysis as essential to helping inform our decision-making and long-term planning.

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## Center for Audit Excellence

The current strategic plan framework summarizes these global trends affecting government and society, as well as the strategic goals and objectives ([GAO-18-1SP](#)) that guide our work and key efforts that detail near-term priorities and bodies of work ([GAO-18-395SP](#)).

The Consolidated and Further Continuing Appropriations Act, 2015, enacted in December 2014, authorized GAO to establish a Center for Audit Excellence (CAE) to build institutional auditing capacity and promote good governance by providing training and assistance to federal, state, local and other national audit offices around the world. The Center has proven its initial concept and demand for the Center's services, domestically and internationally, continues to increase. The Center, in its fourth year of operations, has met its goals of:

- expanding services in developing countries,
- establishing strategic partnerships with donor organizations,
- providing online registration for group training, and
- improving internal operations.

**Bolstering operations.** Moving forward the Center seeks to bolster its operations as demand for its services continues to expand, particularly with international organizations in countries that receive federal funds. For FY 2019 Congress appropriated approximately \$34 billion for foreign assistance, including Global Health, Development Assistance, Foreign Military Financing, and Migrations and Refugee Assistance. Building the capacity of National Audit Organizations across the globe helps produce high-quality auditing functions that can improve oversight of U.S. foreign assistance and hold governments accountable for using public funds efficiently and effectively and deterring and addressing corruption.

In FY 2021, GAO seeks to use a portion of its appropriation for up to five permanent staff and related expenses to enhance GAO's capability to support Center operations. The Center's expansion of services calls for utilizing additional permanent staff for core operations/administrative functions, online/web-based technical support staff, instructors to support on-the-ground services, and as well as contract services for interpretation and translation. The Center will continue to operate a fee-based model for projects.

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## Concluding Remarks

We value the opportunity to provide Congress and the nation with timely, insightful analysis on the challenges facing the country. Our FY 2021 budget requests the resources to ensure that we can continue to address the highest priorities of the Congress.

Our request will allow us to continue building our staffing level and provide our people with the appropriate resources and support needed to serve the Congress effectively. This funding level will also allow us to continue efforts to promote operational efficiency and address long- deferred investments and maintenance. We will also continue to explore opportunities to generate revenue to help offset our costs.

I appreciate, as always, your careful consideration of our budget and your continued support. I look forward to discussing our FY 2021 budget request with you.

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