



Testimony

Before the Subcommittee on Emerging
Threats and Spending Oversight,
Committee on Homeland Security and
Governmental Affairs, U.S. Senate

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GOVERNMENT EFFICIENCY AND EFFECTIVENESS

Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions of Dollars in Financial Benefits

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

Chair Hassan, Ranking Member Paul, and Members of the Subcommittee:

I am pleased to be here today to discuss opportunities to reduce fragmentation, overlap, and duplication, and achieve cost savings and other financial benefits for the federal government. GAO issues annual reports on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.¹ As part of this work, GAO also identifies additional opportunities for greater efficiency and effectiveness that result in cost savings or enhanced revenue collection. Opportunities exist for achieving billions of dollars in financial benefits and improving the efficiency and effectiveness of a wide range of federal programs in other areas such as, but not limited to, defense, health, and energy.

In annual reports issued from 2011 to 2022, we have introduced more than 400 areas and 1,299 actions for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenues.² We found that actions from Congress and executive branch agencies to address many of these actions had resulted in about \$552 billion in financial benefits, including \$531 billion that accrued through 2021 and \$21 billion that was projected to accrue in future years. We also estimate tens of billions more dollars could be saved by fully implementing all of our remaining open actions.³

Last month we released our 12th annual report in this series.⁴ We presented 94 new actions in 21 new and nine existing areas for Congress or executive branch agencies to improve the efficiency and effectiveness

¹Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified at* 31 U.S.C. § 712 note.

²This count includes the areas and actions introduced in the 2022 annual report as well as the 394 areas and 1,200 actions identified in prior years. See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2022 annual reports: <http://www.gao.gov/duplication-cost-savings>.

³In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and used different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits. Realized benefits have been rounded down to the nearest \$1 billion. Estimated potential benefits are subject to increased uncertainty, depending on whether, how, and when they are addressed, and are presented using a notional statement of magnitude.

⁴GAO, *2022 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions of Dollars in Financial Benefits*, [GAO-22-105301](https://www.gao.gov/products/GAO-22-105301) (Washington, D.C.: May 11, 2022).

of government. My testimony today describes (1) new issues identified in our 2022 annual report; (2) the benefits Congress and executive branch agencies have achieved in addressing many of the actions we have identified since 2011; and (3) examples of open actions recommended to Congress or executive branch agencies that could yield significant financial and non-financial benefits.

My comments today are based on our 2022 annual report, as well as our update on the progress made in implementing actions that we have suggested in our previous annual reports. These efforts are based upon work we previously conducted in accordance with generally accepted government auditing standards. More details on our scope and methodology, including the definitions we use for fragmentation, overlap, and duplication for this work, can be found in the [full report](#).

New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government

The 94 new actions we identified span the federal government and are opportunities for Congress or executive branch agencies to improve government efficiency and effectiveness.⁵ In some areas, we have identified fragmentation, overlap, or duplication in government missions and functions. In others, Congress or executive branch agencies could take action to reduce the cost of government operations or enhance revenue collections. For example:

- The Department of Energy could pursue less expensive disposal options of nuclear and hazardous waste, such as immobilizing waste in grout, which could help save **tens of billions of dollars**.
- Contracting leaders at federal agencies should use metrics measuring cost reduction or avoidance to improve the performance of their procurement organizations and potentially save **billions of dollars annually**.
- Congress should consider directing the Department of Health and Human Services to implement additional payment reductions for Skilled Nursing Facilities with high rates of potentially preventable hospital readmissions and emergency room visits, potentially saving **hundreds of millions of dollars** in Medicare costs.
- The Internal Revenue Service could improve taxpayer service and better manage refund interest payments, potentially saving **\$20**

⁵Sixty of the new actions are part of the 21 new areas and 34 actions were added to nine existing areas. This brings the total to 94 new open actions. We also added five actions in five new areas that agencies addressed before the 2022 annual report was issued, for a total of 99 actions.

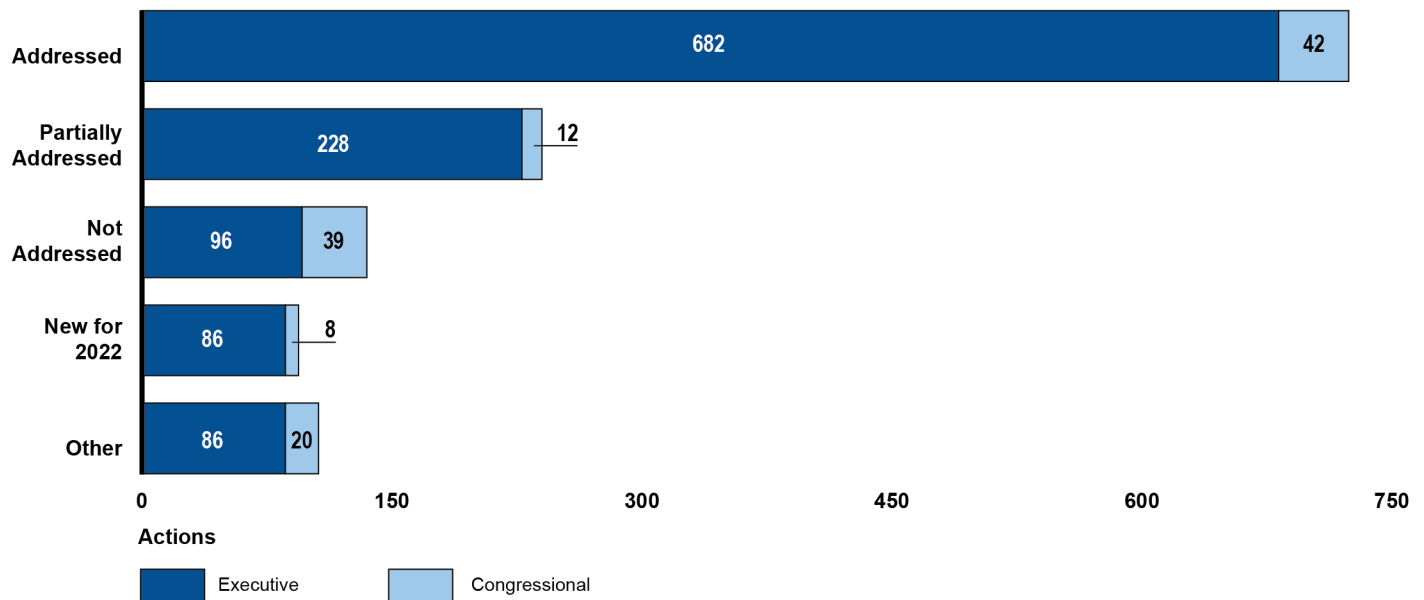
million or more annually, by establishing a mechanism to identify, monitor, and mitigate issues contributing to refund interest payments.

- The Social Security Administration could potentially save **millions of dollars** by identifying and addressing the causes for overpayments to disability beneficiaries in its Ticket to Work program.
- The Department of Defense could improve various administrative services, such as by better managing fragmentation in its food program and strengthening ongoing initiatives to reduce improper defense travel payments, potentially saving **millions of dollars** in those programs.
- The Department of the Interior could better manage fragmentation and potential duplication by implementing a plan to address challenges with the key data systems it uses to manage oil and gas development, resulting in improved oversight and saved staff time.
- The Department of Justice should analyze use of force data collection efforts to identify the extent of potential overlap, validate these findings using relevant information, and identify options to better manage any existing overlap.

Congress and Executive Branch Agencies Continue to Address Actions Identified over the Last 12 Years across the Federal Government, Resulting in Significant Benefits

Congress and executive branch agencies have made consistent progress in addressing many of the actions that we have identified since 2011, as shown in figure 1. As of March 2022, Congress and executive branch agencies had fully or partially addressed 964 (about 74 percent) of the 1,299 actions; of these, they had fully addressed 724 and partially addressed 240 actions.

Figure 1: Status of 2011 to 2022 Actions Directed to Congress and the Executive Branch, as of March 2022



Source: GAO. | GAO-22-106064

Notes: Other actions include actions categorized as “consolidated or other” and “closed-not addressed.” Actions categorized as “consolidated or other” and “closed-not addressed” are no longer assessed. In most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. Actions are generally “closed-not addressed” when the action is no longer relevant due to changing circumstances.

As a result of steps that Congress and executive branch agencies have taken to address our open actions, we have identified approximately \$552 billion in total financial benefits, including \$35 billion identified since our September 2021 report.⁶ About \$531 billion of the total benefits accrued from 2010 through 2021, while approximately \$21 billion are projected to accrue in 2022 or later.⁷ These benefits have contributed to missions across the federal government. Examples of results include:

⁶GAO, *Addressing Fragmentation, Overlap, and Duplication: Progress in Enhancing Government Effectiveness and Achieving Hundreds of Billions of Dollars in Financial Benefits*, GAO-21-104648 (Washington, D.C.: Sept. 28, 2021).

⁷In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and used different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits. Realized benefits have been rounded down to the nearest \$1 billion.

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- **Medicaid Demonstration Waivers.** The Department of Health and Human Services changed processes to curtail some problematic methods of determining budget neutrality and restricted the amount of unspent funds states can accrue and carry forward to expand Medicaid demonstrations, which resulted in more than \$140 billion in federal savings.
 - **Federal Data Centers.** In support of the Office of Management and Budget's Data Center Optimization Initiative, 22 federal agencies have been consolidating their data centers to improve government efficiency with related cost savings of approximately \$5.7 billion.

Our suggested actions, when implemented, often result in other benefits, such as more effective government through improved interagency coordination; improvements in major government programs or agencies; and reduced mismanagement, fraud, waste, and abuse. For example:

- **Chemical Terrorism.** In 2018, we found that the Department of Homeland Security (DHS) had not fully integrated and coordinated its chemical defense programs and activities, with several components having already conducted similar activities without DHS wide direction and coordination. We recommended that DHS develop a strategy and implementation plan to help guide, support, integrate, and coordinate its chemical defense programs and activities and provide a roadmap for addressing any identified gaps to help address fragmentation and coordination issues. In response, DHS issued a Chemical Defense Strategy in December 2019 and an implementation plan in September 2021. These efforts included overarching goals to combat chemical threats and incidents along with identified roles and responsibilities to address these goals, which are essential to helping guide DHS's efforts to address fragmentation and coordination issues.

Action on Remaining Open Areas and New Areas Could Yield Significant Additional Benefits

Further steps by Congress and executive branch agencies are needed to fully address the 469 open actions that are partially addressed, not addressed, or new for 2022. We estimate that tens of billions of dollars in additional financial benefits and improved government services could be

realized should Congress and executive branch agencies fully address these actions, as shown in table 1.⁸

Table 1: Examples of Areas with Open Actions with Potential Financial and Non-Financial Benefits

Area name and description (Year-number links to Action Tracker)	Mission	Potential benefits (Source when financial)
Medicare Payments by Place of Service (2016-30): Congress should consider directing the Secretary of Health and Human Services to equalize payment rates between settings for evaluation and management office visits and other services that the Secretary deems appropriate and return the associated savings to the Medicare program.	Health	Billions of dollars annually (MedPAC and Bipartisan Policy Center)
Category Management (2021-06): The Office of Management and Budget (OMB) should further its Category Management initiative to improve how agencies buy common goods and services by taking such actions as addressing agencies' data management challenges and establishing additional performance metrics to help the federal government achieve cost savings, as well as potentially eliminate duplicative contracts.	General Government	Billions of dollars over the next 5 years (OMB and GAO)
Disability and Unemployment Benefits (2014-08): Congress should consider passing legislation to require the Social Security Administration to offset Disability Insurance benefits for any Unemployment Insurance benefits received in the same period.	Income Security	\$2.2 billion over 10 years (OMB)
Navy Shipbuilding (2017-18): The U.S. Navy could achieve cost savings by improving its acquisition practices and ensuring that ships can be efficiently sustained.	Defense	Billions of dollars (GAO)
SBA's Microloan Program (2020-03): The Small Business Administration's Microloan Program should enhance its collaboration with other federal agencies that engage in microlending activities to better manage fragmentation.	Economic Development	Improved coordination and collaboration in microlending activities
Consumer Product Safety Oversight (2015-04): Congress should consider establishing a formal comprehensive oversight mechanism for consumer product safety agencies to address crosscutting issues as well as inefficiencies related to fragmentation and overlap such as communication and coordination challenges and jurisdictional questions between agencies.	General Government	Increased efficiency and effectiveness of consumer product oversight

⁸In calculating this estimate, we relied on individual estimates from a variety of sources, which considered different time periods and used different data sources, assumptions, and methodologies. These estimates are subject to increased uncertainty, depending on whether, how, and when they are addressed. This amount represents a rough estimate of financial benefits.

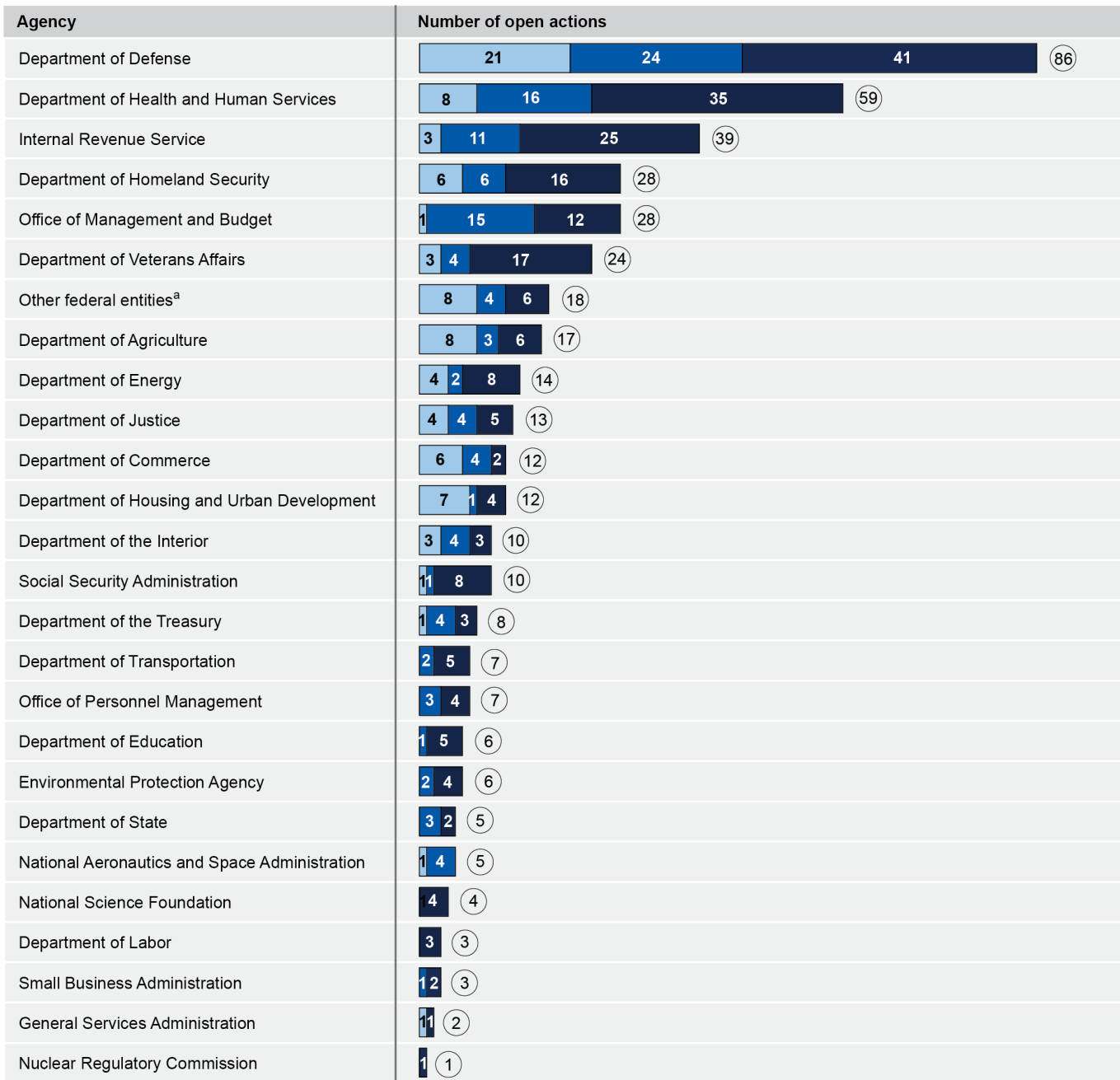
Area name and description (Year-number links to Action Tracker)	Mission	Potential benefits (Source when financial)
Federal Research (2019-15): Federal agencies could improve their research efforts to maintain U.S. competitiveness in quantum computing and synthetic biology by implementing leading practices for collaboration to better manage fragmentation.	Science and the Environment	Maintain U.S. competitiveness in the global economy

Source: GAO. | GAO-22-106064

Note: All estimates of potential financial benefits are dependent on various factors, such as whether action is taken and how it is taken. For estimates of potential financial benefits where outside estimates of potential financial benefits were not available, GAO developed the notional estimates, which are intended to provide a sense of the potential magnitude of benefits. Notional estimates have been developed using broad assumptions about potential financial benefits which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential financial benefits.

In our 2011 to 2022 annual reports we directed 1,178 actions to dozens of executive branch agencies. Of these actions, 410 (about 35 percent) remained open as of March 2022, as shown in figure 2.

Figure 2: Number of Partially Addressed and Not Addressed Actions Since 2011 by Agency, as of March 2022



New for 2022
 Number of actions not addressed
 Number of actions partially addressed

Source: GAO. | GAO-22-106064

Note: The total number of open actions in this figure (427) does not equal the total number of open actions directed to executive branch agencies (410), as of March 2022. Individual actions that were introduced from 2011 through 2019 are counted multiple times when they are directed to more than one federal department or agency. Open actions include actions that are partially addressed, not addressed, and new for 2022.

^a“Other federal entities” reflects open actions directed to the following federal entities: The Executive Office of the President, the Committee on STEM Education, Consumer Financial Protection Bureau, Federal Communications Commission, Office of National Drug Control Policy, Office of Science and Technology Policy, and the U.S. Interagency Council on Homelessness.

In conclusion, we will continue to identify additional or emerging instances of fragmentation, overlap, and duplication where the government could achieve greater efficiency and effectiveness. We will also continue to identify opportunities for cost savings or revenue enhancement. Likewise, we will continue to monitor the progress Congress and executive branch agencies have made in addressing actions we have previously identified. We stand ready to assist this and other committees in further analysis of the issues we have identified and evaluate potential solutions.

Thank you, Chair Hassan, Ranking Member Paul, and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer questions.

GAO Contacts

For further information on this testimony or our May 2022 report, please contact Jessica Lucas-Judy, Director, Strategic Issues, who may be reached at (202) 512-6806 or lucasjudyj@gao.gov or Michelle Sager, Managing Director, Strategic Issues, who may be reached at (202) 512-6806 or sagerm@gao.gov. Contact points for the individual areas listed in our 2022 annual report can be found at the end of each area in [GAO-22-105301](#). Contact points for our Congressional Relations and Public Affairs offices may be found on the last page of this statement.

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