

GAO 2014 DUPLICATION REPORT: EXECUTIVE SUMMARY

The fourth annual GAO duplication report highlights 26 new areas of government duplication, overlap, and areas for potential cost savings and revenue enhancement.

GAO's report includes 11 areas of unnecessary duplication, and recommends 19 actions to address this overlap. GAO also details 15 areas of significant cost savings, and recommends 24 specific actions Congress and the administration could take to address these inefficiencies.

Conservatively, addressing these 26 areas could save nearly \$45 billion over the first five years. This figure is significantly understated as in many cases GAO said "hundreds of millions of dollars" could be saved annually.

Because of insufficient data and poor record keeping at some federal offices, in many areas examined GAO was unable to identify the total amount of federal funding spent on overlapping or inefficient programs, and thus unable to quantify possible savings. Many government offices simply do not know how much they spend on certain activities, a fact GAO repeats throughout their analysis.

Examples of Duplication in 2014 Report

- Overlapping Disability and Unemployment Benefits - 117,000 individuals received concurrent cash benefit payments from UI and DI in FY 2010, totaling more than \$850 million.
- DoD operates 12 dedicated satellite control networks, and one Air Force base alone has 10 different satellite programs, operated by 6 different control centers. GAO estimates savings could be in the millions to hundreds of millions annually if these were consolidated.
- DOD funds 34 organizations that conduct studies and analysis research for the military services or other departmental offices. It is unclear how much is spent on these programs annually.
- 10 different agencies at HHS spend a combined \$3 billion on minority AIDS initiatives every year.
- 11 agencies spend more than \$1.2 billion on autism research. According to GAO, "Of the 1,206 autism research projects funded by federal agencies from fiscal years 2008 to 2012, 84 percent—1,018 projects—had the potential to be duplicative, because the projects were categorized to the same strategic plan objectives or research areas."

Examples of Significant Cost Savings in 2014 Report

- In one area alone, GAO found more than \$4 billion in immediate savings from unused credit subsidies in the Advanced Technology Vehicles Manufacturing loan program.
- GAO once again highlights a number of inefficiencies with the tax code, including the annual tax gap, a lack of online services, and increased enforcement, which could save billions of dollars and increase revenues into the federal treasury. For example, "GAO found more than 200,000 instances where it appeared that taxpayers with unreported foreign accounts may have chosen not to participate in one of IRS's offshore programs." Further, GAO reveals the IRS does not have a system to track resource savings, and it does not know the amount of savings through its corporate audit process.
- GAO estimates at least \$21 billion could be saved by enforcing the law of budget neutral for any Medicaid demonstration projects

GAO 2014 DUPLICATION REPORT: STATUS UPDATE ON PREVIOUS REPORTS

GAO's previous three reports identified 162 areas of government duplication and cost savings.

To address these areas of concern, GAO recommended 380 specific actions to be taken by Congress and the administration to help reduce duplication, fragmentation, and overlap.

In total, of the 380 recommended actions:

- 123 were addressed (32%)
- 172 were partially addressed (44%)
- 75 were not addressed (19%)

64 percent of actions directed to Congress and 63 percent of actions directed to the executive branch agencies identified in 2011-2013 remain partially addressed or not addressed.

Status of 2011-2013 Actions Directed to Congress and the Executive Branch, as of March 6, 2014

Status	Congress		Executive Branch	
	Number of Actions	Percentage	Number of Actions	Percentage
Addressed	18	27%	105	33%
Partially Addressed	10	15%	162	50%
Not Addressed	32	48%	43	13%
Consolidated or Other	6	9%	13	4%

GAO's new report identifies 58 actions listed in previous reports that have been addressed since their last report. "These addressed actions include 19 actions identified in 2011, 21 actions identified in 2012, and 18 actions identified in 2013."

GAO says the actions taken by Congress and the executive branch from FY011 through FY2013 "have resulted in over \$10 billion in realized cost savings to date."

"Sustaining momentum and making significant progress on our suggested actions for reducing, eliminating, or better managing fragmentation, overlap, or duplication or achieving other potential financial benefits cannot occur without demonstrated commitment by executive branch leaders and continued oversight by Congress...Without sustained leadership attention, the executive branch and Congress may miss opportunities to improve the efficiency and effectiveness of government programs and activities at a time when federal resources are constrained."

While some actions have been taken, Congress and the administration have much work to do to further eliminate unnecessary duplication and consolidate existing overlapping federal efforts.

It is important to note, in many instances, although Congress or the administration have enacted GAO recommendations, this has not resulted in the actual elimination or consolidation of overlapping programs.

Examples of Fully Addressed Areas:

(Duplication) Domestic Ethanol Production: (from 2011 report, previously identified as addressed topic) GAO recommended Congress consider revisions to VEETC ethanol tax credit. Congress allowed the VEETC to expire at the end of 2011, reducing revenue losses by \$4.5 billion in FY 2012 and \$6.1 billion FY 2013. In this example, Congress was credited with addressing the problem, but did so through inaction rather than by actively passing legislation.

***(Duplication) Combat Uniforms:** In the 2013 report, GAO reported that DOD had a fragmented approach for acquiring combat uniforms which resulted in several similar uniforms, increasing costs. GAO issued three recommended actions to help the departments coordinate the acquisition of new camouflage uniforms. The National Defense Authorization Act for FY2014 included a policy that DOD will adopt common uniforms for specific environments to be used by all members of the armed forces, and DOD has developed joint criteria for new camouflage uniforms. However, it is worth noting the intent is to eliminate uniforms, and though paper has been produced, no uniforms have been eliminated nor have any savings been generated.

Examples of Areas Partially Addressed:

***(Potential cost savings) Crop Insurance:** In 2013, GAO said Congress could save up to \$1.2 billion per year by limiting crop insurance subsidies for farmers, including high-income farmers participating in the program. In 2013, the Durbin-Coburn Crop Insurance Reform Amendment reduced crop insurance subsidies for farmers making over \$750,000, in order to save \$1 billion over ten years. The amendment was adopted by the Senate during consideration of the farm bill, but was taken out of the bill in the conference committee process. Even though Congress ultimately failed to pass the reform, GAO considers this area for potential cost savings partially addressed.

Examples of Areas Not Addressed:

(Duplication) Housing Assistance: (from 2012 report, previously identified as not addressed topic) GAO recommended Congress require USDA and HUD examine the cost and benefits of merging housing programs that serve similar markets and provide similar products, including single-family insured lending programs and multifamily portfolio management programs, taking advantage of the best practices of each and ensuring that targeted populations are not adversely affected. The House Financial Services Subcommittee on Insurance, Housing and Community Opportunity developed draft legislation and hosted hearings in May and September 2011 on a proposal to move management of rural housing programs from USDA to HUD.

There are 160 programs and tax expenditures within 20 departments and agencies that cost \$170 billion in FY 2010. Specifically, GAO found a total of 23 federal housing programs that target or have special features for the elderly. In addition, HUD operates the Native American Housing Block Grant and the Indian Community Development Block Grant while the VA runs the Native American Veterans Direct Loan Program, all directed at providing affordable housing to Native Americans.

*new status for 2014