

2013 GAO DUPLICATION REPORT

This week the Government Accountability Office (GAO) issued its third annual report exposing unnecessary duplication and overlapping programs throughout the federal government.

The 2013 duplication report reveals 17 areas of government duplication, ranging from competing catfish inspection programs to hundreds of overlapping renewable energy initiatives and fragmented efforts to redesign military combat uniforms.

The review also details 14 additional areas of significant potential cost savings for taxpayers, including reducing crop insurance subsidies for the wealthy and increasing IRS' enforcement of tax laws.

Examples from the 2013 Duplication Report

- 679 renewable energy initiatives at 23 federal agencies and their 130 sub-agencies cost taxpayers \$15 billion in FY 2010.
- 76 programs to prevent or treat drug abuse are spread across 15 agencies, costing \$4.5 billion in FY 2012.
- Three federal offices are involved in overseeing catfish inspections.
- 159 contracting organizations in 10 different Defense Department components provide defense foreign language support. GAO estimates \$50 to \$200 million in potential savings by eliminating this duplication.
- The Broadcasting Board of Governors (BBG) offers 69 different language services. GAO found 23 instances of overlap involving 43 of these services, accounting for \$149 million, or nearly 20 percent, of the BBG's FY 2011 annual appropriations.
- 21 programs, including eight tax expenditures, are in place to help students save for, pay, and repay the cost of higher education, annually costing \$45 billion, \$104 billion in financial loans, and \$25 billion in lost revenue from tax spending.
- Six programs to employ and train veterans are operated by two government agencies, which spent \$1.2 billion in FY 2011 to serve 880,000 participants. The GAO found, "Despite these efforts, the unemployment rate for veterans who have recently separated from the military is higher than that for other veterans and nonveterans."
- The Department of Commerce's National Technical Information Service (NTIS) was established in 1950 and tasked with collecting and distributing certain reports. Despite the fact that nearly 75 percent of these reports are now available online for free, NTIS continues to charge the public, and even other federal agencies, for these reports. GAO explains, "These results show that NTIS disseminates and charges for many reports that overlap with information that is available for free from federal agencies and other public websites." Over ten years ago, the GAO issued a report highlighting this clear overlap and government waste. In a November 2012, GAO "estimated that approximately 621,917, or about 74 percent, of the 841,502 reports were readily available from one of the other four publicly available sources GAO searched." Even more, 95 percent of those on other websites, were available for free. Making the government looking even more foolish, GAO explains, "The source that most often had the reports GAO was searching for was another website located at <http://www.Google.com>."
- Six separate offices at the Department of Homeland Security are involved in research and development. In one example, "two DHS components awarded five separate contracts that each addressed detection of the same chemical. Moreover, DHS did not have the policies and mechanisms necessary to coordinate or track research and development activities across the department."

Additional Transparency and Information is Needed for Government Programs and Spending Levels

In the 2013 report GAO explains several overarching concerns with and a few factors contributing to, this pervasive federal duplication. “A first step in identifying potential fragmentation, overlap, or duplication among federal programs or activities involves creating a comprehensive list of programs along with related funding information.”

“We also found that federal budget information is often not available or sufficiently reliable to identify the level of funding provided to programs or activities. For example, agencies could not isolate budgetary information for some programs because the data were aggregated at higher levels.”

“Estimating the benefits that could result from eliminating unnecessary fragmentation, overlap, and duplication as well as opportunities for cost savings and revenue enhancement was not possible in some cases because information about the extent of duplication among certain programs was not available.”

“In other issue areas, we did not report any budgetary information, because such information was either not available or sufficiently reliable.”

Additional Program Evaluation Needed to Determine Results and Effectiveness

GAO highlights the need for additional program evaluation in federal efforts, stating, “... this series [of reports] calls repeated attention to challenges associated with the need for improved and regular performance information.”

“However, as we previously noted, our annual reports highlight several instances in which executive branch agencies do not collect necessary performance data. For example, in our 2011 annual report we noted that OMB has not used its budget and performance review processes to systematically review tax expenditures and promote integrated reviews of related tax and spending programs.”

“Similarly, we have previously reported that as Congress oversees federal programs and activities, it needs pertinent and reliable information to adequately assess agencies’ progress, ensure accountability, and understand how individual programs and activities fit within a broader portfolio of federal efforts. The lack of reliable performance data also makes it difficult for decision makers to determine how to address identified fragmentation, overlap, or duplication.”

Washington Failed to Implement Billions of Dollars in Potential Savings Identified by GAO

Taking into account this week’s report, GAO has identified 162 areas of extensive government duplication or other potential cost savings or revenue collection, and provided 380 specific actions that can be taken by the administration and Congress to address these issues. Eighty-three of the 162 are examples of government duplication, while the remaining 79 are other areas for potential savings.

In this year’s report GAO explains, “Although the executive branch and Congress have made some progress in addressing the issues that we have previously identified, additional steps are needed to address the remaining areas to achieve associated benefits. A number of the issues are difficult to address, and implementing many of the actions identified will take time and sustained leadership.”

To date, Washington has made very minimal headway in reducing unnecessary duplication, despite the abundance of information, examples, and recommendations from GAO.

In the 2012 and 2011 reports, GAO identified a total 131 areas of duplication (66 areas) and other potential cost savings (65 areas). In the last two years, Congress and the administration have completely ignored 27 of these areas in every way. Sixteen areas have been fully addressed, while 87 have seen some movement, but have not been fully resolved.

Within the 131 areas, GAO provided 300 specific recommendations for action to be taken by the White House and the Congress, to address the duplication and potential cost savings outlined in their reports. To date, 65 of these actions have been fully implemented, while Washington has completely ignored 85 of these recommendations. The remaining 149 are in progress, but not completed.

Congress has failed to do one thing to reduce the unnecessary duplication of 160 federal housing programs spread across 20 different agencies, costing taxpayers more than \$170 billion annually, as revealed in the 2012 report. Meanwhile, the administration is not without fault. As explained by GAO, "For example, although OMB guidance calls for agencies to analyze whether their information technology investments are continuing to meet business and customer needs and are contributing to meeting the agency's strategic goals, we found that agencies did not conduct such an analysis on 52 of the 75 major existing information technology investments we reviewed."

On a positive note, Congress let the ethanol tax credit expire, which is one example of a fully implemented recommendation made by GAO, which found the tax credit to be duplicative of other federal efforts. In addition, the 2012 report directed the Department of Defense to evaluate possible alternatives for their operations in South Korea. According to GAO, "Based on the resulting business case analysis, DOD officials stated that United States Forces Korea determined that the tour normalization initiative was not affordable. This decision not to move forward with the tour normalization initiative resulted in cost avoidance of \$3.1 billion from fiscal years 2012 through 2016."

Potential Savings and Deficit Reduction

As previously noted, in many cases, GAO explains it was unable to determine potential cost savings or the total cost of government duplication because the agencies do not know in each case how much they are spending on various programs.

However, when combining the savings GAO was able to estimate, and assuming 15% savings could be derived from the total spending in other areas of duplication outlined in the report, we estimate at least \$46 billion in annual savings could be found by addressing only the areas of duplication outlined in the report.

Further, at least an additional \$48 billion annual savings is detailed in the section of the report on areas for potential cost savings, assuming a 10 percent reduction in the tax gap.

Conservatively, we estimate approximately \$95 billion in total annual savings could be achieved if Congress and the White House would fully implement the recommendations provided by this year's GAO report on duplication.