

GAO Highlights

Highlights of [GAO-13-631T](#), a testimony before the Committee on the Budget, U.S. Senate

Why GAO Did This Study

As the fiscal pressures facing the nation continue, so too does the need for executive branch agencies and Congress to improve the efficiency and effectiveness of government programs and activities. Opportunities to take such action exist in areas where federal programs or activities are fragmented, overlapping, or duplicative.

To highlight these challenges and to inform government decision makers on actions that could be taken to address them, GAO is statutorily required to identify and report annually to Congress on federal programs, agencies, offices, and initiatives, both within departments and governmentwide, that have duplicative goals or activities. GAO has also identified additional opportunities to achieve greater efficiency and effectiveness by means of cost savings or enhanced revenue collection.

This statement discusses the (1) new areas identified in GAO's 2013 annual report; (2) status of actions taken by the administration and Congress to address the 131 areas identified in GAO's 2011 and 2012 annual reports; (3) President's April Fiscal Year 2014 Budget submission and recently introduced legislation; and (4) strategies that can help address the issues we identified. GAO's 3-year systematic examination included a review of the budget functions of the federal government representing nearly all of the overall federal funds obligated in fiscal year 2010.

View [GAO-13-631T](#). For more information, contact Orice Williams Brown or A.Nicole Clowers at (202) 512-8678.

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GOVERNMENT EFFICIENCY AND EFFECTIVENESS

Strategies for Reducing Fragmentation, Overlap, Duplication and Achieving Cost Savings

What GAO Found

GAO's 2013 annual report identifies 31 new areas where agencies may be able to achieve greater efficiency or effectiveness. Seventeen areas involve fragmentation, overlap, or duplication. For example, GAO reported that the Department of Defense could realize up to \$82 million in cost savings and ensure equivalent levels of performance and protection by taking action to address its fragmented approach to developing and acquiring combat uniforms. Additionally, GAO reported that a total of 31 federal departments and agencies collect, maintain, and use geospatial information. Better planning and implementation could help reduce duplicative investments and save of millions of dollars.

The report also identifies 14 additional areas where opportunities exist to achieve cost savings or enhance revenue collections. For example, GAO suggested that Department of Health and Human Services cancel the Medicare Advantage Quality Bonus Payment Demonstration. GAO found most of the bonuses will be paid to plans with average performance and that the demonstration's design precludes a credible evaluation of its effectiveness. Canceling the demonstration for 2014 would save about \$2 billion. GAO also noted opportunities to save billions more in areas such as expanding strategic sourcing, providing greater oversight for Medicaid supplemental payments, and reducing subsidies for crop insurance. Additionally, GAO pointed out opportunities for enhancing revenues by reducing the net tax gap of \$385 billion, reviewing prices of radioactive isotopes sold by the government, and providing more equity in tobacco taxes for similar types of products.

The executive branch and Congress have made some progress in addressing the areas that GAO identified in its 2011 and 2012 annual reports. Specifically, GAO identified approximately 300 actions among 131 overall areas that the executive branch and Congress could take to reduce or eliminate fragmentation, overlap, or duplication or achieve other potential financial benefits. As of March 6, 2013, the date GAO completed its progress update audit work, about 12 percent of the areas were addressed, 66 percent were partially addressed, and 21 percent were not addressed. More recently, both the administration and Congress have taken additional steps, including proposals in the President's April Fiscal Year 2014 Budget submission.

Addressing fragmentation, overlap, and duplication will require continued attention by the executive branch agencies and targeted oversight by Congress. In many cases, executive branch agencies have the authority to address the actions that GAO identified. In other cases, such as those involving the elimination or consolidation of programs, Congress will need to take legislative action. Moreover, sustained congressional oversight will be needed in concert with the administration's efforts to address the identified actions by improving planning, measuring performance, and increasing collaboration. Effective implementation of the GPRA Modernization Act of 2010 also could help the executive branch and Congress as they work to address these issues over time.