



December 2016

FEDERAL BUILDING MANAGEMENT

Building Disposal
Authorities Provide
Varying Degrees of
Flexibility and
Opportunities for Use

GAO Highlights

Highlights of [GAO-17-123](#), a report to congressional requesters

Why GAO Did This Study

Federal property management has been on GAO's High-Risk list since 2003, in part because the government maintains too much excess and underutilized property. GSA has the authority to dispose of property for all federal entities under the Federal Property and Administrative Services Act of 1949, as amended. However, some federal entities (either departments or departmental components) have been provided with independent statutory authority to dispose of buildings and other types of property and, in some cases, retain proceeds from such disposals.

GAO was asked to review the extent to which federal entities have disposal authority independent of the Property Act, including the authority to retain proceeds. This report examines (1) the scope of building disposal authorities held by civilian Chief Financial Officer Act (CFO Act) agencies and USPS; (2) the results of these federal entities' use of their disposal authorities during fiscal years 2011 through 2015; and (3) the factors that drive building disposal decisions, and what additional authorities officials at selected federal entities believe could help facilitate these disposals. GAO surveyed 22 CFO Act agencies, interviewed officials from 12 federal entities that reported having disposal authority, reviewed statutory authorities and guidance materials, and analyzed disposal data from fiscal years 2011 through 2015 for these entities.

GAO provided a draft of this product to 15 agencies for comment and 8 provided technical comments, which were incorporated as appropriate.

View [GAO-17-123](#). For more information, contact Dave Wise at (202) 512-2834 or wised@gao.gov

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Building Disposal Authorities Provide Varying Degrees of Flexibility and Opportunities for Use

What GAO Found

Twenty civilian federal entities reported they have at least one statutory authority that allows them to dispose of federally owned buildings under their control. Fifteen entities reported the authority to retain proceeds from building disposals. However, most of these federal entities reported limited use of their independent authorities during fiscal years 2011 through 2015. Seven entities that reported having disposal authority used it during this time frame, and 5 entities that reported having authority to retain proceeds did so (see figure below). The scope of disposal authorities varies among entities; about half have broad authority but these entities only account for about 9 percent of domestic federal buildings. Other authorities are limited, for example, to specific types of facilities or methods of disposal. In addition, statutory authorities to retain proceeds also vary, with most restricting how a federal entity may use the proceeds.

Five of the 7 entities that reported using their independent disposal authority reported using it for only about 8 percent of the buildings they disposed of in fiscal year 2015. The General Services Administration (GSA) and the U.S. Postal Service (USPS) have broad authorities that were used for all of their disposals. The five federal entities that retained proceeds reported about \$557 million from all building sales, not just those in which they used their authority from fiscal years 2011 through 2015. Of this amount, USPS's building disposals accounted for \$446 million, GSA for \$89 million, and the other 3 entities accounted for the remaining \$22 million.

Officials from most of the federal entities GAO interviewed said building disposal decisions are mainly based on mission needs rather than the authorities. Officials from 5 entities said they would like the authority to use proceeds from building sales to cover costs of preparing buildings for disposal, such as the cost of environmental remediation. Currently, up-front disposal costs compete with ongoing operations and maintenance costs for budget resources.

Statutory Limitations of Authorities to Dispose Buildings and Retain Proceeds

Federal entities that used disposal authority fiscal years 2011-2015	Disposal authority limited by statute	Retention of proceeds authority limited by statute	Used retention of proceeds authority, fiscal years 2011-2015
Forest Service	✓	✓	\$
Department of Energy	✓	✓	✗
Indian Health Service	✓		
Coast Guard	✓	✓	\$
Federal Aviation Administration	✓		\$
General Services Administration		✓	\$
United States Postal Service			\$

At least one authority has statutory restriction
 Used authority
 Did not use authority
 Does not have authority
 Not applicable. The statutory restriction does not apply to the federal entity.

Source: GAO analysis of survey responses and statutory authorities. | GAO-17-123

Contents

Letter		1
	Background	4
	The Scope of Both Disposal and Retention of Proceeds Authorities Varies Widely	8
	Most Federal Entities Reported Limited Opportunities to Use Their Authorities to Dispose of Buildings and Retain Proceeds	13
	Selected Federal Entities Reported That Mission Needs Drive Building Disposal Decisions and That Their Disposal Authorities Did Not Address Their Disposal Challenges	22
	Agency Comments	24
Appendix I	Objectives, Scope, and Methodology	27
Appendix II	Disposal Authorities and Retention of Proceeds Authorities Reported by 22 Federal Entities	30
Appendix III	Enacting Legislation for Disposal Authorities and Retention of Proceeds Authorities of Federal Entities	39
Appendix IV	GAO Contact and Staff Acknowledgments	43
Related GAO Products		44
Table		
	Table 1: Federal Entities' Reported Use of Disposal Authority, Fiscal Year 2015	15
Figures		
	Figure 1: GSA's Process for Disposing of Real Property Using Its Own Authorities	6

Figure 2: Federal Entities That Reported Having Authority to Dispose of Buildings or Retain Proceeds from Building Disposal	9
Figure 3: Restrictions on Building Disposal and Retention of Proceeds Authorities	11
Figure 4: Federal Entities Reported Use of Disposal and Retention of Proceeds Authorities, Fiscal Years 2011—2015	14
Figure 5: An Excess FAA Building Located on Airport Property	17
Figure 6: Disposition Methods Reported by 20 Federal Entities and USPS, Fiscal Years 2011—2015	18
Figure 7: Number of Buildings Disposed of by Sale and Aggregate Gross Proceeds Reported by Five Entities That Reported Having Authority to Retain Proceeds, Fiscal Years 2011—2015	20

Abbreviations

CFO	Chief Financial Officer Act
EUL	enhanced-use lease (authority)
FAA	Federal Aviation Administration
FBF	Federal Buildings Fund
FRPP	Federal Real Property Profile
GSA	General Services Administration
ICE	Immigration and Customs Enforcement
IHS	Indian Health Service
OMB	Office of Management and Budget
PBC	public conveyance benefit
USPS	United States Postal Service
VA	Department of Veterans Affairs

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December 8, 2016

Congressional Requesters

The federal government’s real estate portfolio is vast and diverse, including approximately 112,000 civilian agency buildings in the United States.¹ Federal real property management has been on our High-Risk list since 2003, in part because we have found that the government maintains too much excess and underutilized property.² In addition, agencies continue to face long-standing challenges in disposing of buildings. In recent years the federal government has taken steps to improve the management of its real property. In 2013, the Office of Management and Budget (OMB) implemented the “Freeze the Footprint” policy, which instructed federal agencies to not increase total square footage of their domestic office and warehouse inventory. Subsequently, in March 2015 OMB issued the National Strategy for the Efficient Use of Real Property, which included OMB’s “Reduce the Footprint” policy. This policy aims to reduce the amount of property held by the government. In addition, since 2012, a number of bills have been introduced in Congress that have sought to reduce the cost of federal real estate by expediting the disposal of excess and underutilized property.

The Federal Property and Administrative Services Act of 1949, as amended, (the Property Act)³ provides the General Services Administration (GSA) the authority to dispose of property for all federal entities. In addition, some federal entities have independent statutory authority to dispose of buildings and other types of property, and in some cases, retain proceeds from such disposals.⁴ You asked us to review the extent to which federal agencies have disposal authority independent of

¹ This number reflects data—as of September 30, 2015—as reported by civilian agencies subject to the CFO Act of 1990 to the Federal Real Property Profile (FRPP) database under Executive Order 13327. We included only buildings located in the United States. Some agencies, such as the United States Postal Service, are not required to submit real property data to the FRPP and are therefore not included in this number.

² GAO, *High-Risk Series: An Update*, [GAO-15-290](#), (Washington D.C.: February 2015).

³ The Federal Property and Administrative Services Act of 1949 is codified primarily at subtitle I of title 40.

⁴ For the purposes of this report we refer to federal entities’ independent disposal authorities and authorities to retain proceeds as “disposal authorities.”

the Property Act, including the authority to retain proceeds. This report examines: (1) the scope of building disposal authorities held by civilian Chief Financial Officer (CFO) Act agencies and the United States Postal Service (USPS); (2) the results of these federal entities' use of their disposal authorities from fiscal years 2011 through 2015; and (3) the factors that drive federal entities' building disposal decisions, and what additional authorities officials at selected federal entities believe could help facilitate disposals.

To identify the scope of disposal authorities, we surveyed 22 civilian CFO Act agencies⁵ regarding their authority to dispose of owned buildings⁶ and retain any proceeds resulting from those disposals.⁷ We reviewed the authorities these entities reported, as well as the authorities provided to GSA and USPS to dispose of buildings, and summarized the characteristics and scopes of these authorities. For example, we reviewed disposal authorities to determine what if any limitations they imposed. We excluded authorities that we determined to be a directed authority, which are authorities provided in law that direct an entity to dispose of a particular facility or facilities and, in some cases, also identify a specific recipient of the property.

To determine the results of the entities' use of their disposal authority,⁸ using the same survey instrument to ask responding entities to report the extent to which they used their authorities to dispose of buildings during the fiscal year 2011 through 2015 time frame and, if applicable, the extent to which the authority to retain proceeds was used. We also analyzed the Federal Real Property Profile (FRPP) database maintained by GSA for the same time frame to corroborate responses, identify the disposal methods that entities reported during that time, and identify the proceeds,

⁵ The CFO Act agencies are the executive branch agencies listed at 31 U.S.C. § 901(b). The USPS is not included as a CFO Act agency.

⁶ For the purposes of this report, we are limiting our review to *buildings* located in the United States. GSA's guidance for real property inventory reporting defines a building as "a constructed asset that is enclosed with walls and a roof that provides space for agencies to perform activities or store materials as well as provides space for people to work in".

⁷ There are 24 CFO Act agencies. We did not survey the Department of Defense, because our scope was the civilian agencies. We did not survey GSA, as the purpose of the survey was to identify authorities other than the Property Act.

⁸ In this report we use the term "federal entities" and "entities" to include only civilian agencies and components subject to the CFO Act as well the USPS.

if any, from building disposals.⁹ To assess the reliability of FRPP data, we (1) reviewed existing documentation related to the data, (2) conducted electronic testing of the data to identify problems with completeness and accuracy, and (3) interviewed knowledgeable agency officials about the data. We determined that the data were sufficiently reliable for the purposes of this report.

To obtain additional information on the results of these disposals, and how disposals are prioritized, we interviewed officials from 11 of the 14 federal entities that reported having authority to both dispose of buildings and retain proceeds from such disposals and officials from one agency with the authority to dispose of buildings but not retain proceeds. We also interviewed officials at an additional entity that reported having the authority to dispose of buildings but not to retain proceeds. With all of these entities, we discussed the scope and use of their authorities for building disposals from fiscal years 2011 through 2015. We also asked officials from these entities how they prioritized building disposals, how their disposal authority may have influenced their decisions, and what additional disposal authorities they believe could facilitate additional disposals.

To obtain more detailed information about specific building disposals, we reviewed documents for three to five disposals from four federal entities that used their disposal authority during fiscal years 2011 through 2015. From each of the four federal entities, we selected three to five disposals that varied in building value, size, location and year of sale. We used this information to help characterize the entities' disposal priorities and processes, gather information on proceeds retained from disposals, and to identify challenges to conducting building disposals. The information from these specific building disposals is not generalizable to all disposals.

We conducted this performance audit from February 2016 to December 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe

⁹ All CFO Act agencies are required to report all owned and leased properties (buildings, lands, and structures) in FRPP on an annual basis. In the case of buildings, information reported includes, among other things, the location, annual operating costs, square footage, utilization, and condition. Disposal information is also collected including the disposal method, disposal date, and if the building is sold, the actual sales price.

that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Federally owned civilian buildings range from multi-story buildings located in urban centers to remotely located storage facilities in national parks or national forests. Federally owned buildings are used for offices, warehouses, schools, hospitals, housing, data centers, and laboratories, among others uses. Similarly, the value of federal buildings varies significantly, ranging from nothing for buildings in poor condition to millions of dollars for former postal facilities.

Within the executive branch, OMB and GSA provide leadership managing federal real property. As the chief management office for the executive branch, OMB is responsible for overseeing how federal entities devise, implement, manage, and evaluate programs and policies. OMB also develops and provides direction to federal entities on real property management matters. GSA has two key leadership responsibilities related to managing the federal government's real property. First, GSA acquires, manages, and disposes of federally owned real property for which it has custody and control. This function is commonly referred to as the landlord role since GSA performs these services on behalf of other federal entities that occupy the properties. Second, GSA's Office of Government-wide Policy is tasked with, among other things, identifying, evaluating, and promoting best practices to improve the efficiency of management processes. In this policy role, GSA also provides guidance for federal entities, publishes performance measures, and maintains the FRPP database.

The FRPP was created in accordance with Executive Order 13327¹⁰ and contains data on federal real property assets worldwide, including information on disposals of federally-owned buildings. Real property data is collected and reported to the FRPP on an annual basis by all CFO Act agencies and others that have control and responsibility for federal real property. They report, among other things, how and when buildings were disposed of and, if applicable, proceeds generated from the disposal. FRPP is maintained at the asset level for land, buildings, and structures. Some disposals include multiple assets in a transaction. For example, a

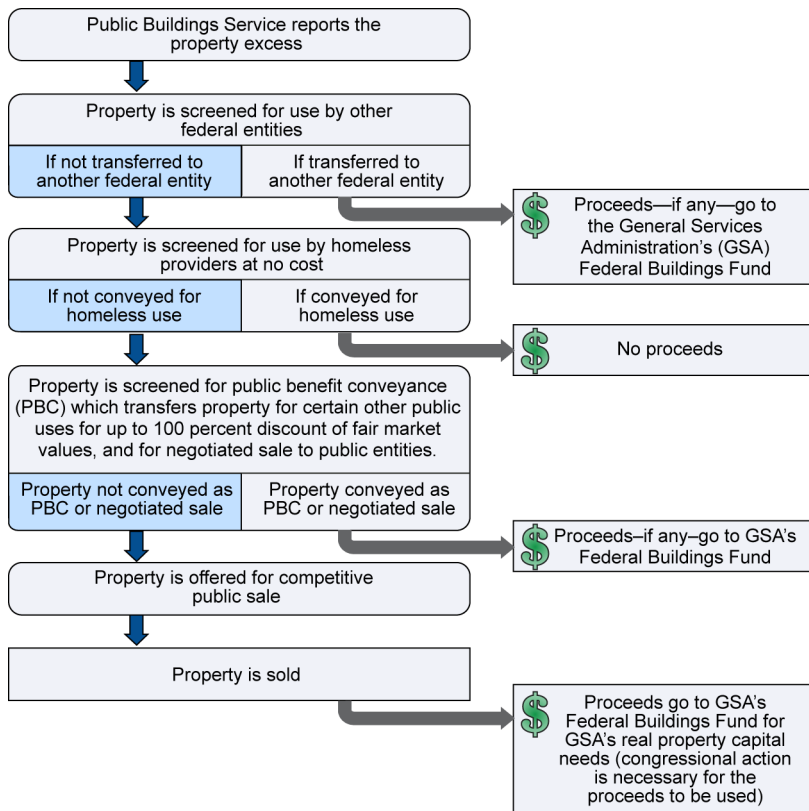
¹⁰ Executive Order No. 13327, *Federal Real Property Asset Management*, 69 Fed. Reg. 5997 (Feb. 6, 2004).

disposal may include multiple buildings and the land on which they were built. In that scenario, each land parcel, building, and structure is recorded separately as a disposed asset.

GSA plays a central role in disposing of unneeded property for the federal government. The Property Act gives GSA the authority to dispose of property for most federal entities and mandates the process to be used. This activity is conducted by GSA's Public Building Service (see fig. 1). GSA initiates its disposal process when a federal entity determines it no longer needs a building and notifies GSA. As illustrated in figure 1, federally owned buildings may be disposed of through several different methods depending on the particular circumstances. These methods include transfer to another federal entity, conveyance to another public entity for public benefit uses, such as homelessness assistance or education, and sale. We have found in the past that the disposal process can be time consuming.¹¹

¹¹ GAO, *Federal Real Property: National Strategy and Better Data Needed to Improve Management of Excess and Underutilized Property*, [GAO-12-645](#) (Washington, D.C: June 2012).

Figure 1: GSA's Process for Disposing of Real Property Using Its Own Authorities



Source: GSA. | GAO-17-123

Some federal entities have statutory authority to dispose of buildings independent of the Property Act. Federal entities with independent disposal authority are not required to notify or use the services of GSA to complete the disposal; however, federal entities with disposal authority may choose to hire GSA to act as its agent or broker for building disposal purposes. In such cases, the entity pays GSA for the services it performs in disposing of a building. In addition, a federal entity with independent disposal authority may request GSA to dispose of a building under the Property Act.

Federal entities are also authorized in certain circumstances, to dispose of buildings through demolition and donation whether or not they have independent disposal authority. Specifically, federal entities that have control of real property are authorized to demolish or donate to a public body buildings that have no commercial value or for which the estimated

cost of continued care and handling exceeds the estimated proceeds from the sale.¹²

OMB has undertaken several initiatives and issued guidance to federal entities to improve the management of federal real property and address long-standing issues.¹³ In March 2015, OMB introduced the National Strategy for Efficient Use of Real Property to improve federal utilization of the real property portfolio. The National Strategy adopts a three-pronged policy framework to improve the cost effectiveness and efficiency of the federal real property portfolio. First, it aims to freeze federal real property growth. Second, it identifies policy actions to measure the cost and utilization of real property assets. Finally it identifies actions to reduce the size of the federal property portfolio. Specifically, OMB issued the “Reduce the Footprint” policy which directed each federal entity to establish reduction targets for office space, warehouse space, and the disposal of federally owned buildings beginning in fiscal year 2016.

In addition, several real property reform bills were introduced in Congress in recent years. For example, during the 114th Congress, two bills were introduced and passed by the House of Representatives, but have not been enacted. The proposed Federal Asset Sale and Transfer Act of 2016 would establish a Public Buildings Reform Board to identify opportunities for the federal government to reduce its inventory of civilian real property and reduce its costs.¹⁴ The proposed Public Buildings Report and Savings Act of 2016 would promote consolidation and disposal by requiring, among other things, that GSA justify to Congress any new or replacement building space beyond a specified value, including reasons that it cannot be consolidated or collocated into other owned or leased space.¹⁵

¹² 40 U.S.C. § 527; 41 C.F.R. § 102-75.990.

¹³ These initiatives and guidance also apply to non-civilian agencies such as the Department of Defense and the Armed Services. However, as previously noted, this report only addresses civilian federal agencies subject to the requirements of the Chief Financial Officers (CFO) Act.

¹⁴ H.R. 4465, 114th Cong. (2016).

¹⁵ H.R. 4487, 114th Cong. (2016).

The Scope of Both Disposal and Retention of Proceeds Authorities Varies Widely





Twenty Federal Entities Reported Having Building Disposal Authority and 15 Reported Having Authority to Retain Proceeds from Building Disposals

In all, 20 federal entities in our review reported having at least one statutory disposal authority that allowed them to dispose of domestic buildings. Some independent disposal authorities apply at the agency or department level, such as those held by the Department of Veterans Affairs (VA), while others apply at a component level, such as the authority provided to the Federal Aviation Administration (FAA), within the Department of Transportation. Fourteen of these 20 entities, plus Federal Prison Industries, reported having statutory authority to retain proceeds from building disposals.¹⁶ (See app. II). The following nine CFO Act agencies reported having neither disposal authority nor the authority to retain proceeds: The Departments of Commerce, Education, Housing and Urban Development, and the Interior; the National Aeronautics and Space Administration; Office of Personnel Management; Small Business Administration; Social Security Administration; and the United States Agency for International Development. Figure 2 shows the federal entities that reported having disposal authority, and those that reported having the authority to retain proceeds.

¹⁶ Federal Prison Industries, within the Department of Justice, reported having broad authority to retain proceeds, but did not report having the authority to dispose of buildings.

Figure 2: Federal Entities That Reported Having Authority to Dispose of Buildings or Retain Proceeds from Building Disposal

Agency	Component	Authorities	
		Dispose	Retain proceeds
Department of Agriculture	Forest Service	✓	✓
Department of Energy		✓	✓
Department of Health and Human Services	Indian Health Service	✓	✗
Department of Homeland Security	Coast Guard	✓	✓
	Federal Emergency Management Agency	✓	✗
	Immigration and Customs Enforcement	✓	✓
Department of Justice	Federal Bureau of Investigation	✓	✓
	Federal Prison Industries	✗	✓
Department of Labor		✓	✓
Department of State		✓	✓
Department of Transportation	Federal Aviation Administration	✓	✓
	Federal Railroad Administration	✓	✗
	Maritime Administration	✓	✓
	St. Lawrence Seaway Development Corporation	✓	✓
Department of the Treasury	Comptroller of the Currency	✓	✓
Department of Veterans Affairs		✓	✓
Environmental Protection Agency		✓	✗
General Services Administration		✓	✓
National Science Foundation		✓	✗
Nuclear Regulatory Commission		✓	✗
United States Postal Service		✓	✓
Totals		20	15

 Disposal authority at department/agency level	 Disposal authority at component level	 Does have authority	 Does not have authority
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Source: GAO analysis of survey responses. | GAO-17-123

Eight of the federal entities reported having multiple statutory authorities to dispose of buildings and retain proceeds applicable to different

situations. For example, the Indian Health Service, within the Department of Health and Human Services, reported having three statutory authorities to dispose of buildings that can be used under different circumstances.

Disposal authorities for two of the federal entities included sunset provisions. One authority for the Forest Service, which was enacted as a provision within an appropriations act, expired at the end of fiscal year 2016,¹⁷ and one of VA's authorities expires on December 31, 2018.¹⁸ Some authorities do not have sunset provisions but were established decades ago and are now very rarely, if ever used. For example, one of DOE's disposal authorities was established in 1955 to support local governance of atomic energy communities that had previously been managed by the federal government.¹⁹ According to DOE officials, this authority has not been used for over 15 years.

The Scope of Disposal Authorities Varies, with Some Providing Broad Authority While Others Are Narrow

About half of the federal entities have broad authority to dispose of buildings, an authority that applies to the entities' entire portfolios, but those portfolios only account for about 9 percent of the federally owned civilian buildings reported to FRPP. USPS does not report into FRPP, and was the only entity in our review with more than 100 buildings that had no restrictions on its authority to dispose of buildings or on its authority to retain proceeds from disposals. The other federal entities' authorities are limited based on factors such as facility type or program. Buildings that are excess to a federal entity's needs and that are not covered by the entity's disposal authorities must be disposed of by GSA under the Property Act, unless the entity chooses to dispose of the buildings through demolition or donation. Some federal entities have multiple authorities that may have differently defined scopes. Figure 3 identifies if at least one of a federal entity's disposal authorities is restricted to certain circumstances or factors, and if at least one authority for the use of sales proceeds also has a statutory restriction.

¹⁷ 16 U.S.C. § 580d (note).

¹⁸ 38 U.S.C. § 8118.

¹⁹ Pub. L. No. 84-221, 69 Stat. 476 (Aug. 4, 1955) (codified at 42 U.S.C. § 2342). See appendix III.

Figure 3: Restrictions on Building Disposal and Retention of Proceeds Authorities

Agency	Component	Disposal authority is restricted to a specified facility type or program	Disposal authority is restricted to a specified disposal method	Authority to use proceeds requires appropriation	Authority to use proceeds is restricted to specific purpose	Proceeds are treated as offsetting collections
Department of Agriculture	Forest Service	✓	Not applicable	Not applicable	✓	Not applicable
Department of Energy		✓	✓	Not applicable	✓	Not applicable
Department of Health and Human Services	Indian Health Service	✓	✓	Not applicable	Not applicable	Not applicable
Department of Homeland Security	Coast Guard	✓	✓	✓	✓	✓
	Federal Emergency Management Agency	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Immigration and Customs Enforcement	✓	✓	✓	✓	✓
Department of Justice	Federal Bureau of Investigation	✓	✓	Not applicable	✓	Not applicable
	Federal Prison Industries	Not applicable	Not applicable	Not applicable	✓	Not applicable
Department of Labor		Not applicable	Not applicable	Not applicable	✓	Not applicable
Department of State		✓	✓	✓	✓	Not applicable
Department of Transportation	Federal Aviation Administration	✓	Not applicable	Not applicable	Not applicable	Not applicable
	Federal Railroad Administration	✓	Not applicable	Not applicable	Not applicable	Not applicable
	Maritime Administration	Not applicable	✓	✓	Not applicable	Not applicable
	St. Lawrence Seaway Development Corporation	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Department of the Treasury	Comptroller of the Currency	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Department of Veterans Affairs		✓	✓	✓	✓	✓
Environmental Protection Agency		✓	✓	Not applicable	Not applicable	Not applicable
General Services Administration		Not applicable	✓	✓	✓	Not applicable
National Science Foundation		Not applicable	✓	Not applicable	Not applicable	Not applicable
Nuclear Regulatory Commission		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
United States Postal Service		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

✓ At least one authority has statutory restriction Does not have authority Not applicable. The statutory restriction does not apply to the federal entity.

Source: GAO analysis of statutory authorities. | GAO-17-123

Note: Some entities have multiple authorities which may have differently defined scopes.

Some disposal authorities are limited to the disposal of specific types of facilities, or facilities associated with specific programs. One of FAA's

disposal authorities, for example, is limited to airport or airway property, and the Immigration and Customs Enforcement's (ICE) authority is limited to disposal of service processing centers and detention facilities. DOE reported having three disposal authorities but none provides far-reaching authority for all DOE buildings. One authority is derived from the Atomic Energy Act of 1946, as amended, and only applies to specific activities conducted under that act, as amended. One is specific to buildings located in Oak Ridge, Tennessee, and Richland, Washington, while the third relates to buildings held by DOE's Bonneville Power Administration.

In addition, some authorities prescribe a specific method of disposal or exempt an entity from certain legal requirements that generally pertain to disposals. Authorities provided to the Indian Health Service (IHS), for example, are intended to support tribal entities and authorize IHS to donate excess property to tribes, tribal organizations, and urban Indian organizations at no cost, under certain circumstances but do not authorize other disposal methods such as sale. Most federal entities with disposal authority must follow the requirements of the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act).²⁰ The Act created a program to assist the homeless, in part, by identifying unused federal real property and making it available to homeless assistance providers. However, some entities' disposal authorities exempt them from such requirements and thus simplify the disposal process. For example, according to Coast Guard officials, one of their disposal authorities exempts them from the McKinney-Vento Act requirements as well as from the requirement to report to GSA excess real property for potential use by other federal entities.²¹ USPS has independent disposal authority, and its own authorities exempt it from the McKinney-Vento Act requirements as well as reporting excess property to GSA.²²

Statutory authorities to retain proceeds from building disposals also vary. Some authorities require congressional action for the use of proceeds while others do not. For example, the Maritime Administration must deposit sales proceeds into a Treasury fund, and the funds are not available to the agency until a subsequent appropriation is enacted; in

²⁰ Pub. L. No. 106-400, 114 Stat. 1675 (2000). The Stewart B. McKinney Homeless Assistance Act, enacted in 1987, was renamed the McKinney-Vento Homeless Assistance Act in October 2000.

²¹ 14 U.S.C. § 685.

²² See, e.g., 39 U.S.C. § 410(a).

contrast, the St. Lawrence Seaway Development Corporation is broadly authorized to use proceeds from building disposals toward mission activities without express restriction or limitation. Other authorities limit the use of sales proceeds to specific programs. The Department of Labor, for example has the authority to retain proceeds from the sales of Job Corps center facilities, but restricts the use of those proceeds to carry out the Job Corps' programs. Some entities, such as VA, also noted that their proceeds from building disposals would be off-set; that is, their appropriation is subject to a reduction equal to the amount of the proceeds; thus, the proceeds do not increase funds available to the entity.

Most Federal Entities Reported Limited Opportunities to Use Their Authorities to Dispose of Buildings and Retain Proceeds

About One-Third of Federal Entities Reported Using Their Disposal Authorities during Fiscal Years 2011 through 2015 but for a Minority of Their Total Building Disposals

From fiscal years 2011 through 2015, 7 of the 20 federal entities that reported having building disposal authority reported using that authority. The remaining 13 federal entities reported that they did not use their authority during that time frame. Among the 15 federal entities that reported having authority to retain proceeds, 5 reported using that authority. Figure 4 shows reported use of these authorities within our selected time frame.

Figure 4: Federal Entities Reported Use of Disposal and Retention of Proceeds Authorities, Fiscal Years 2011—2015

Agency	Component	Used disposal authority	Used retention of proceeds authority
Department of Agriculture	Forest Service		
Department of Energy			
Department of Health and Human Services	Indian Health Service		
Department of Homeland Security	Coast Guard		
	Federal Emergency Management Agency		
	Immigration and Customs Enforcement		
Department of Justice	Federal Bureau of Investigation		
	Federal Prison Industries		
Department of Labor			
Department of State			
Department of Transportation	Federal Aviation Administration		
	Federal Railroad Administration		
	Maritime Administration		
	St. Lawrence Seaway Development Corporation		
Department of the Treasury	Comptroller of the Currency		
Department of Veterans Affairs			
Environmental Protection Agency			
General Services Administration			
National Science Foundation			
Nuclear Regulatory Commission			
United States Postal Service			

Used authority Did not use authority Does not have authority

Source: GAO analysis of survey responses. | GAO-17-123

Five of the 7 federal entities that reported using their disposal authority during the selected time frame of our review indicated that they did so

infrequently. As discussed earlier, some federal entities' disposal authorities are narrowly framed to apply only to certain programs or facilities and thus apply to a limited number of the entities' federally owned buildings. All 5 of these entities' disposal authorities have use restrictions, and consequently many buildings may have been ineligible for disposal under the entities' disposal authorities. We requested data on building disposals by these five entities on the use of their own disposal authority for the selected time frame, but we were only able to obtain information from all five entities for fiscal year 2015. These five federal entities reported disposing of 801 buildings in fiscal year 2015, but only used their authority for 67 (about 8 percent) of their total building disposals. (See table 1). The other two entities, GSA and USPS, which have very broad disposal authority, used their disposal authority for all of the buildings they disposed of that year—which was 12 and 15 buildings, respectively.

Table 1: Federal Entities' Reported Use of Disposal Authority, Fiscal Year 2015

	Buildings reported disposed of using entities' disposal authority	Total buildings reported disposed	Percentage of building disposals using entities' disposal authority
Department of Energy	1	85	1%
Indian Health Service	5	21	24%
Forest Service	36	250	14%
Coast Guard	20	151	13%
Federal Aviation Administration	5	294	2%
Total	67	801	8%

Source: GAO survey results and analysis of data provided by each federal entity and Federal Real Property Profile. | GAO-17-123

Note: We excluded USPS and GSA from this analysis as both entities have broad authorities and use these authorities for all building disposals.

VA officials told us that they had never used two of their independent disposal authorities in part due to statutory limitations. Under one of the entity's disposal authorities, all proceeds from building disposals must be deposited into the VA Capital Asset Fund, and VA may not obligate these funds without further congressional action. In addition, according to VA officials, these collections are off-set, meaning that increases to the fund balance from sales result in identical reductions in VA's appropriation. Further, this authority requires VA to first determine whether the property is suitable for use by another entity under its enhanced-use lease (EUL)

authority before using its disposal authority. VA officials said it was advantageous to enter into EUL agreements to manage underused and unutilized buildings in their portfolio rather than disposal.²³ Officials stated that a long-term EUL (as long as 75 years) effectively functions like a disposal because VA has no day-to-day responsibility for the building over an extended period of time. Further, VA officials said that their EUL authority offers more flexibility to use the proceeds that may result from lease arrangements. Specifically, VA's EUL authority allows funds to be available for furnishing medical care without fiscal year limitation.²⁴ Although entering into an EUL does not constitute a disposal, VA's EUL authority does allow for the potential disposal of property leased under that authority. If during the term of the EUL or within 30 days of its termination, it is determined that the property is no longer needed, VA may initiate action to transfer the property to the lessee. According to VA officials, this disposal authority has been used in the past, but not during the 5-year time frame included in our review.

Another condition limiting some federal entities' use of their building disposal authorities was the location of unneeded buildings within federal campuses or secure facilities, particularly when the entity was not disposing of the underlying land. In these situations, the building is typically made available for "offsite use only," i.e. the conveyee or purchaser would have to remove the building from the site at their own cost. For example, the buildings eligible for disposal under FAA's disposal authority were often located within the secure area of an airport and tended to be small sheds enclosing technical equipment. According to FAA officials, these smaller buildings were notably different from common perceptions of federal buildings such as courthouses, post offices, and agency headquarters, which are large and sometimes designed to serve symbolic, ceremonial, and other purposes of government. Figure 5 shows a prefabricated concrete building located on airport property that FAA sold to a private company for \$500 in 2014.

²³ Enhanced use leases (EUL) are typically long-term agreements with public and private entities for the use of federal property, resulting in cash and or in-kind consideration for the federal entity. VA, however, does not have the authority to accept in-kind contributions for EULs. 38 U.S.C. § 8162(b)(3).

²⁴ 38 U.S.C. § 8165(a)(1) and 38 U.S.C. § 1729A(b)(8), (c)(1)(A).

Figure 5: An Excess FAA Building Located on Airport Property



Source: Federal Aviation Administration (FAA). | GAO-17-123

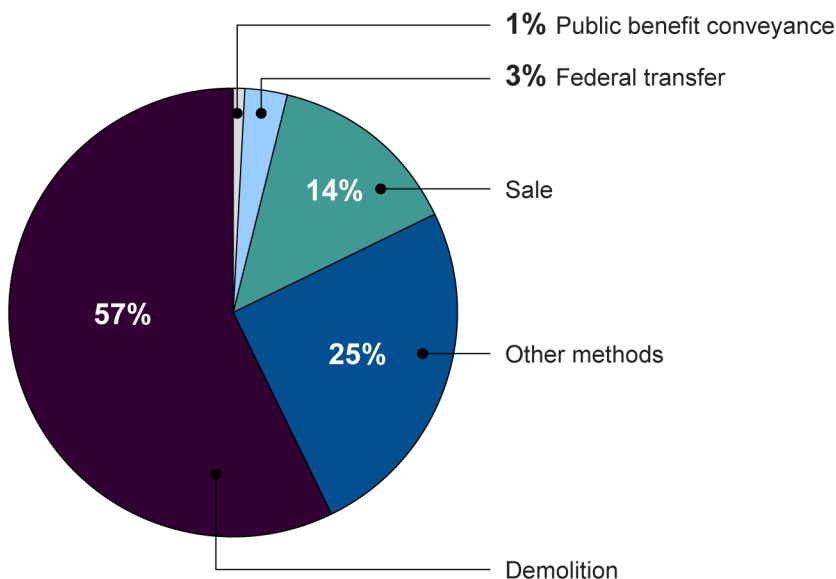
Entities with Disposal Authority Disposed of Most Buildings through Demolition Rather Than through Sale, from Fiscal Years 2011 through 2015

The results of building disposal by federal entities with disposal authority are directly related to the method of disposal. According to FRPP data, the 20 federal entities with disposal authority disposed of more than 5,400 buildings during fiscal years 2011 through 2015. The total includes all buildings disposed of by those entities during the 5-year period, regardless of the authority used (i.e., a disposal could have been pursuant to an independent building authority, the Property Act, or a demolition authorized by statute).²⁵ The most frequent method these entities used to dispose of buildings was demolition (57 percent), while disposal by “other” means (25 percent) and by sale (14 percent) were the second and third most frequent methods of disposal (see fig. 6). Demolition was one of five methods of building disposal that FRPP

²⁵ We were unable to segregate data for buildings disposed of under federal entities’ independent disposal authorities because FRPP does not require federal entities to report the authority used to dispose of a particular building asset. And as a result, not all federal entities with independent disposal authority track which authority was used to dispose of a building or group of buildings.

allowed federal entities to report prior to fiscal year 2015; other methods included federal transfer, public benefit conveyance, sale, and “other.” Beginning in fiscal year 2015, FRPP expanded to 12 the number of disposal methods agencies could report such as loss due to disaster, abandonment, deterioration, exchange, return to host nation/tribe, or reversion to prior owner.

Figure 6: Disposition Methods Reported by 20 Federal Entities and USPS, Fiscal Years 2011—2015



Sources: GAO analysis of Federal Real Property Profile (FRPP) and United States Postal Service (USPS) data. | GAO-17-123

Note: Data includes all disposals by the 20 civilian federal entities that reported having statutory building disposal authority during the 5 year period, not just those buildings disposed of using their own disposal authority. For our analysis of FRPP data, we included the seven new disposal methods introduced in the fiscal year 2015 Federal Real Property Profile report in “other” disposals because the new data had only been collected for one year.

- **Demolition:** Landholding agencies may demolish low value buildings or buildings where the estimated cost of continued care and handling exceeds any projected proceeds that might result from sale.²⁶ For example, the Coast Guard reported that 56 percent of its disposals were through demolition. Its Shore Divestiture Program directed local managers during fiscal years 2011 through 2015 to focus on disposing of real property that no longer met mission needs and

²⁶ 40 U.S.C. § 527; 41 C.F.R. §102-75.990

determining the most appropriate method, including demolition, for buildings with no commercial value.

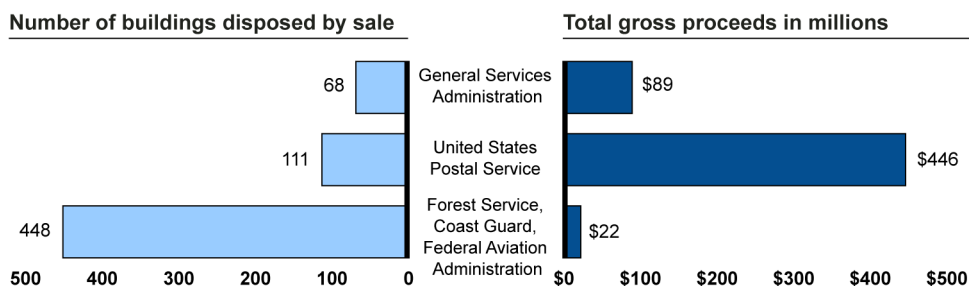
- Other: Building disposals using methods not falling within the categories in the FRPP reporting guidance are reported as “other.” We asked officials from federal entities we met with to identify the actual methods for building disposals that they had reported to FRPP as “other.” Generally, agency officials were either unable to identify the specific disposal methods for these buildings or only able to identify the specific disposal methods for a small portion of these building disposals. The expanded number of reporting categories added in fiscal year 2015 should reduce the percentage of disposals reported as “other” and provide more understanding of the disposal methods being used.
- Sale: Federal entities may dispose of buildings through two types of sale: (1) a negotiated sale to state or local governments or (2) a public sale to a non-government entity. Public sales are competitive and generally conducted through a sealed bid or auction. USPS’s disposal authority allows it to dispose of buildings through sale without considering other forms of disposal as required for most federal entities, and all of its disposals were done through sales.²⁷ The small fraction of buildings the other 20 entities disposed of by sale suggests that many buildings held by these entities may not have been suitable for sale. For example, Forest Service officials said that the age, location, and condition of many of the buildings they disposed of—along with the lack of practical or economic value—made demolition the preferred disposal method rather than sale.
- Federal Transfer: When buildings become excess to the needs of a federal entity’s mission, the building is generally first offered for use by another federal entity. If another federal entity identifies a need, the property may be transferred to that federal entity.
- Public Benefit Conveyance: Various statutes authorize conveyance of surplus federal buildings to state and local governments, and in some cases, to nonprofits at up to 100 percent discount for public benefit use. These statutes include conveyance for public health, homeless assistance, education, parks and recreation, and law enforcement, among others.

²⁷ 39 U.S.C. §§ 401(5), and 410(a).

Five Federal Entities That Reported Having Authority to Retain Proceeds from Buildings Disposed of by Sale

Five federal entities that reported having authority to retain proceeds from buildings disposed of by sale reported gross proceeds of about \$557 million from these sales during the selected 5-year time frame of our review. USPS and GSA retained proceeds from all of their building sales but GSA's use of those proceeds was restricted to specific purposes. Of these five federal entities, USPS reported the highest aggregate proceeds of \$446 million and retained proceeds from all 111 of its building disposals.²⁸ GSA reported a total of about \$89 million in proceeds from its 68 building sales during the 5-year period. FRPP does not require federal entities to report which authority under which they disposed of buildings. As a result, the other three agencies could not easily provide information on the proceeds retained from disposals using their authority but reported about \$22 million in proceeds from the 448 building sales over the 5 year period.²⁹ (See fig. 7).

Figure 7: Number of Buildings Disposed of by Sale and Aggregate Gross Proceeds Reported by Five Entities That Reported Having Authority to Retain Proceeds, Fiscal Years 2011—2015



Sources: GAO analysis of Federal Real Property Profile and United States Postal Service data. | GAO-17-123

Figure 7 compares gross proceeds from three federal entities' building disposal sales with those of USPS and GSA during the same time frame and shows that, in general, sales of USPS buildings resulted in larger gross proceeds than those of the other four federal entities combined. Accordingly, USPS's reported aggregate gross proceeds for its 111 buildings sales was more than four times greater than the aggregate

²⁸ USPS reported retaining about \$418 million in net proceeds after accounting for disposal costs, which include real estate fees, among others.

²⁹ FRPP guidance defines gross proceeds as the sales price, if the building was sold.

gross proceeds reported by the other four federal entities for their collective 516 disposals during the same time period.

We found that in some cases FRPP data could not be used to quantify proceeds for individual buildings. For 194 building sales in our 5-year time frame, the reported gross proceeds field in FRPP was recorded as zero. However, if a building disposal sale involved a facility comprised of multiple buildings, the disposing entity may have been unable to disaggregate the facility's sales price by asset. In such cases, the reported gross proceeds of the sale could be assigned to one of the buildings while entering the gross proceeds for the others as zero. For example, in one instance, the Coast Guard assigned the \$185,101 in gross proceeds resulting from one disposal transaction that included 2 housing units and 6 other land and structure assets to one of the housing units, while the other housing unit and other assets were assigned zero gross proceeds. As a result it is not possible to determine the results of buildings disposed of by sale on an asset-by-asset level using FRPP data.

The variation among the amount of gross proceeds and the number of disposals among the federal entities may generally reflect the type of real estate portfolio the federal entity held. For example, among the federal entities included in figure 7, the Forest Service, with its portfolio of smaller, remotely located buildings, accounted for 55 percent of all buildings disposed of by sale but only 2 percent of the proceeds. The buildings USPS disposed of, on the other hand, were mostly located in urban areas and accounted for 18 percent of buildings sold but 80 percent of total gross proceeds.

Most statutes that authorize federal entities to retain proceeds from building disposals specify the account or fund into which sales proceeds must be deposited. The proceeds are generally co-mingled with other funds that meet the purpose of the specified account, and each account has its own statutory requirements for obligation of the funds. For this reason, officials from federal entities were generally unable to report how the proceeds they retained from a specific sale were used beyond the purpose of the fund or account.

Selected Federal Entities Reported That Mission Needs Drive Building Disposal Decisions and That Their Disposal Authorities Did Not Address Their Disposal Challenges

Officials from the 10 of the 12 federal entities that reported having disposal authority that we interviewed said that the decision to keep or dispose of a building is largely based on mission needs as determined by the entity. In most cases, these federal entities identify buildings for disposal before they consider which disposal method is most appropriate and which, if any, of its disposal authorities could be used. Federal entities we contacted generally did not indicate that having disposal authority was factored into their real property decisions, although many acknowledged that the authority was a tool that could facilitate disposals. Likewise, those federal entities that reported using their authority to retain proceeds generally indicated that their authority to do so did not play a role in determining which building to dispose. Forest Service officials indicated that their disposal decisions might also be influenced by the ability to retain and obligate proceeds if they had a building with the potential to generate significant sales proceeds.

Ten of the 12 federal entities indicated that disposals are driven by mission need. Some of these entities have implemented a formal mechanism to identify mission needs. For example, USPS is adjusting the size of its building portfolio to meet changing market conditions. As part of an effort to optimize its operations, USPS has conducted area mail processing reviews and node studies to identify buildings that are excess to its needs.³⁰ Similarly, DOE guidance for real property asset management emphasizes that real property must be necessary to meet program missions, and that real property assets, including buildings, that are excess to mission needs should be identified for reuse or disposal. According to this guidance, plans for real property assets are to be documented and kept current by DOE sites in 5-year real property planning and budgeting documentation.

Other officials discussed how the disposal decisions may be initiated by program or local offices of the federal entity. For example, FAA officials stated that program offices identify buildings for disposal based on mission need and that some of these decisions are made at the local level, though approved through headquarters. Likewise, Forest Service officials indicated that disposal decisions about buildings of little or no value are sometimes made at the local or district level.

³⁰ A node study examines all federally owned properties held by USPS within a specific geographic radius.

In some cases, a federal entity is not making the disposal decision because it is directed in law to dispose of property. For example, in 2013, DOE conveyed land and 76 buildings to a non-profit organization in New Mexico for research, education and scientific purposes, as provided in the Omnibus Public Land Management Act of 2009.³¹

Officials from 5 of the 12 federal entities we interviewed told us that funding to initiate the disposal process would be helpful to address the upfront costs of disposal, including those related to maintenance and environmental remediation. Officials from these 5 entities said that broader authority to retain and use proceeds from disposals may help address these disposal costs. When a federal entity other than GSA disposes of a building, the proceeds are typically deposited into the U.S. Treasury as miscellaneous receipts, unless a specific authority provides otherwise.³² As such, although an entity invested financial resources to initiate and execute the disposal process, proceeds generated by a building sale are generally not available to the entity to recover those costs. Those costs may include remediation of environmental issues such as lead paint and hazardous waste contamination prior to disposing of a building and can be very costly. Other upfront costs can include studies to determine historic preservation requirements and improvements to the physical conditions of buildings to make them marketable. Many of the retention authorities identified by the 15 federal entities do not address upfront costs, such as maintenance or other work necessary to put the property on the market or to transfer it to another entity. These funds generally come from the entity's operations and maintenance account, meaning that preparing a building for disposal competes with ongoing program requirements for funding. Officials at one federal entity noted that they have delayed the disposal of such buildings if it meant less funding for higher priorities. Legislation introduced in the 114th Congress could address entities' concerns about upfront costs. If enacted, the Federal Assets Sale and Transfer Act of 2016 would authorize OMB to dispose of real property recommended for disposal by a Public Buildings Reform Board. As proposed, that act would authorize appropriations, as

³¹ Pub. L. No. 111-11 §13005, 123 Stat. 991, 1449 (2009).

³² GSA deposits proceeds into the Federal Buildings Fund (FBF) which serves as GSA's primary source of funding for operating and capital costs associated with federal space. Congress exercises control over the FBF through the appropriations process that sets annual limits—called obligational authority—on how much can be obligated for various activities. 40 U.S.C. § 592. As of September 30, 2015, the balance of the FBF was \$7.8 billion.

well as proceeds from disposal, subject to appropriations, to be used to cover upfront costs related to disposal, among other things.³³

Disposal authorities themselves do little to address the other most cited disposal challenge, a building's location, which may limit the interest in the property or the ability to dispose of it. As discussed earlier, some excess buildings on federal lands must be relocated by the acquiring party if the underlying land is not sold. Likewise, landlocked buildings inside a federal campus such as a VA medical center draw limited private sector interest—in some cases because the land cannot be disposed of with the building. Having independent statutory disposal authority does not address the challenges faced by federal entities when disposing of buildings in landlocked or remote locations, where buyer interest is limited.

DOE officials indicated that they would like to have additional authority to lease federally-owned buildings under DOE's control to other parties.³⁴ This authority would provide them with the opportunity to generate revenue from facilities that are currently underutilized or unused, but which they do not consider eligible for disposal because the facilities may be needed for mission-related activities in the future. Similarly, VA officials indicated that expanding its EUL authority beyond the current limitation of supportive housing would provide additional opportunities for reuse and repurposing of underutilized and unused buildings, though this expansion may not result in additional disposals.

Agency Comments

We provided copies of the draft report to GSA and USPS for comment prior to finalizing the report. In addition we provided copies to the Departments of Agriculture, Energy, Health and Human Services, Homeland Security, Justice, Labor, State, the Treasury and Veterans Affairs; the Environmental Protection Agency; National Science Foundation; and Nuclear Regulatory Commission. We received technical comments, which we incorporated as appropriate, from GSA, USPS, the

³³ H.R.4465. As stated earlier, this was passed by the House but has not been enacted.

³⁴ While some federal entities have statutory authority to lease a building or a portion of a building to another party and retain the proceeds, this type of authority was outside the scope of this review. We do not know how many federal entities have this authority or the extent to which it is used and we are not taking a position about the merits of this suggestion.

Departments of Homeland Security, Labor, State, Transportation, the Treasury, and Veterans Affairs.

We are sending copies of this report to the Administrator of General Services, and the Secretaries of Agriculture, Energy, Health and Human Services, Homeland Security, Justice, Labor, State, the Treasury, and Veterans Affairs. We are also sending copies to the Environmental Protection Agency, National Science Foundation, and Nuclear Regulatory Commission. In addition, the report is available at no charge on GAO's website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or wised@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.



David J. Wise
Director, Physical Infrastructure Issues

List of Requesters

The Honorable Ron Johnson

Chairman

The Honorable Thomas R. Carper

Ranking Member

Committee on Homeland Security and Governmental Affairs

United States Senate

The Honorable James Lankford

Chairman

The Honorable Heidi Heitkamp

Ranking Member

Subcommittee on Regulatory Affairs and Federal Management

Committee on Homeland Security and Governmental Affairs

United States Senate

The Honorable Rob Portman

Chairman

Permanent Subcommittee on Investigations

Committee on Homeland Security and Governmental Affairs

United States Senate

Appendix I: Objectives, Scope, and Methodology

Our objectives were to examine: (1) the scope of disposal authorities held by civilian CFO Act agencies and the United States Postal Service (USPS); (2) the results of these federal entities' use of their disposal authorities during fiscal years 2011 through 2015; and (3) the factors that drive building disposal decisions, and what additional authorities selected officials at selected federal entities believe could help facilitate these disposals.

To identify those federal entities with disposal authority and determine the scope of those authorities—including the authority to retain the proceeds from disposals—we surveyed 22 of the 23 civilian CFO Act Agencies, asking if they possessed statutory authority to dispose federally owned buildings and to retain any proceeds resulting from those disposals.¹ Because some disposal authority statutes apply at the CFO Act agency level and others apply at a component level, we used 2014 FRPP data to identify which components of CFO Act agencies' owned buildings. In total, we identified 59 components of the 22 agencies surveyed that owned buildings, and therefore could have disposal authority. The CFO Act agencies completed the survey for the components we identified.

For those entities reporting disposal authorities, we asked for the legal citations granting these authorities. We then reviewed and analyzed these statutory authorities. We also reviewed the Property Act and the authorities provided to the United States Postal Service. We only reviewed authorities reported by surveyed entities. We did not verify if additional authorities might exist. We used this analysis to determine which federal entities fell within the scope of the review. In addition, we also analyzed the content of the authorities reported through the survey to identify the scope of the reported authorities and categorize them into several broad categories, particularly in terms of any limitations they may include regarding disposal and retention of proceeds such as specific programs, locations or use of retained proceeds, among others. We also interviewed agency officials about the scope and applicability of these authorities, and the extent to which they were utilized during the fiscal year 2011 through 2015 time frame. We summarized these authorities in a detailed summary, which may be found in appendix II.

¹ There are 24 CFO Act agencies in all. With the concurrence of Congressional requesters, we excluded DOD at the outset to focus the review on civilian agency building disposal. In addition, we did not survey GSA, as a key purpose of the survey was to identify building disposal authorities outside of GSA to dispose federally –owned real property. We received responses from all 22 agencies that we surveyed.

To determine the federal entities' use of disposal authorities during fiscal years 2011 through 2015 and using the same survey instrument, we asked entities to report the number of buildings they disposed of during the fiscal year 2011 through 2015 time frame using their disposal authority. We also asked the federal entities to report if they retained proceeds from their building disposals. We also obtained Federal Real Property Profile (FRPP) data for fiscal years 2011 through 2015 from the General Services Administration (GSA), which collects and maintains the data, and reviewed FRPP guidance. For our analysis of FRPP data for this engagement, we removed the Department of Defense buildings from government-wide building data. In addition, we included only those buildings located in the United States, that were reported disposed during fiscal years 2011 through 2015. We used these data to determine: the total number of building disposals that civilian CFO Act federal entities conducted, the types of disposal methods they used, the number for which they reported gross proceeds, and the aggregate amount of those proceeds. We compared our analysis of the FRPP data with the disposal numbers reported by the entities we surveyed and asked the entities to reconcile differences between their survey responses and FRPP data where they existed. We assessed the reliability of FRPP data by: (1) performing electronic testing of data elements; (2) reviewing existing information about the data and the system that produced them; and (3) interviewing officials knowledgeable about the data. We have identified weaknesses in FRPP data in the past specifically related to selected data fields which we did not include in the analysis for this review.² In instances where data errors were reported by a federal entity, we noted the errors, made corrections, and performed our data analysis once again. The differences in the results of the analysis were not significant enough to change the outcome of the analysis. We found that the data were generally reliable for our purposes, which were to identify the number of buildings disposed of by those entities with independent disposal authority, and the extent to which the disposing federal entities retained proceeds from disposal activities.

To identify the factors which drive building disposals, and identify what additional authority officials believed could help facilitate disposals, we interviewed officials from 11 federal entities with the authority to both dispose of buildings and retain proceeds from such disposals. We also interviewed officials at one federal entity with the authority to dispose of

² [GAO-16-275](#).

buildings but without the authority to retain proceeds, and one federal entity with neither authority. We asked these federal entities how they prioritized building disposals and how their disposal authority may have influenced their priorities. We also discussed the scope and use of their authorities for building disposals during fiscal years 2011 through 2015 and reviewed entities' disposal guidance.

We obtained more detailed information from four of the seven federal entities that used their disposal authority during fiscal years 2011 through 2015. We selected three to five disposals from each federal entity based on building value, size, location and year of sale. We used this information to characterize the agencies' disposal priorities and processes, gather information on proceeds retained from disposals, identify challenges to conducting building disposals, and to provide illustrative examples for this report. The information from these specific disposals is not generalizable to all building disposals.

We conducted this performance audit from January 2016 to December 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Disposal Authorities and Retention of Proceeds Authorities Reported by 22 Federal Entities

Federal entity	Statute and type of authority	Summary of authority
Department of Agriculture, U.S. Forest Service	16 U.S.C. § 580d note Disposal Retention of Proceeds	<p>The Secretary may convey by sale, lease, exchange, a combination of sale and exchange, or by such other means as the Secretary considers appropriate an administrative site, or an interest in an administrative site, that is under the jurisdiction of the Secretary. The authority of the Secretary to initiate the conveyance of an administrative site expires on September 30, 2016.</p> <p>Proceeds from the conveyance of an administrative site shall be available to the Secretary, until expended and without further appropriation, to pay any necessary and incidental costs incurred by the Secretary in connection with the acquisition, improvement, maintenance, reconstruction, or construction of a facility or improvement for the National Forest System, and for the conveyance of administrative sites, including to pay reasonable commissions or fees for brokerage services obtained in connection with the conveyance if the Secretary determines the conveyances are in the public interest.</p>
Department of Energy	42 U.S.C. § 2201(g) Disposal	The Department of Energy is authorized to acquire, purchase, lease, and hold real and personal property and to sell, lease, grant, and dispose of such real and personal property as provided in the Atomic Energy Act of 1954, as amended.
	42 U.S.C. § 2342 Disposal	<p>To facilitate the establishment of local self-government at the communities of Oak Ridge, Tennessee, and Richland, Washington, and to provide for the disposal of federally owned properties of such communities the Commission shall offer for disposal all real property within the community which is presently under lease or license agreement with the Commission or its community management contractor for residential, commercial or industrial, agricultural, church or other nonprofit use, or which, in the opinion of the Commission, is appropriate for such use.</p> <p>The Commission may, but shall not be required to, dispose of any other real property at the community, whether within or outside of that community.</p>
	16 U.S.C. § 832a(e) Disposal	The Bonneville Power Administrator is authorized to sell, lease, or otherwise dispose of such real property and interests in land acquired in connection with construction or operation of electric transmission lines or substations as in the Administrator's judgement are not required for the purposes of the Bonneville Project Act; provided, however, that before the sale, lease or disposition of real property the administrator shall secure the approval of the President of the United States.
	16 U.S.C. § 838i(a) Retention of Proceeds	The Bonneville Power Administrator may make expenditures from the Bonneville Power Administration fund without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriations acts, for any purpose necessary or appropriate to carry out the duties imposed on the Administrator pursuant to law.

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
Department of Health and Human Services, Indian Health Service	25 U.S.C. § 5324(f) Disposal	In connection with any self-determination contract or grant, the appropriate Secretary may donate to an Indian tribe or tribal organization title to any personal or real property found to be excess to the needs of the Bureau of Indian Affairs, the Indian Health Service, or GSA. The appropriate Secretary may also acquire excess or surplus Government personal or real property for donation to an Indian tribe or tribal organization if the Secretary determines the property is appropriate for use for a purpose for which a self-determination contract or grant agreement is authorized under the Indian Self Determination and Educational Assistance Act, as amended.
	25 U.S.C. § 5392(c) Disposal	In connection with any compact or funding agreement executed pursuant to the authorities of the Indian Health Service, or an agreement negotiated under the Tribal Self-Governance Demonstration Project, the Secretary, upon the request of an Indian tribe, may donate to an Indian tribe title to any personal or real property found to be excess to the needs of any agency of the Department, or GSA. The Secretary shall acquire excess or surplus Government personal or real property for donation to an Indian tribe or tribal organization if the Secretary determines the property is appropriate for use by the Indian tribe for any purpose for which a compact of funding agreement is authorized.
	25 U.S.C. § 1660g(b) Disposal	The Secretary may donate to an urban Indian organization that has entered into a contract or received a grant under the Health Services for Urban Indians programs any personal or real property determined to be excess to the needs of the Indian Health Service or GSA for the purposes of carrying out the contract or grant.
Department of Homeland Security, Federal Emergency Management Agency	15 U.S.C. § 2218(b)(3) Disposal	The Administrator of FEMA is authorized to sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of property and assets.
Department of Homeland Security, Immigration and Customs Enforcement	Pub. L. No. 114-4 § 544 Disposal	If the Secretary of Homeland Security determines that specific United States Immigration and Customs Enforcement (ICE) Service Processing Centers or other ICE-owned detention facilities no longer meet the mission need, the Secretary is authorized to dispose of them by directing the GSA Administrator to sell all real and related personal property.
	Retention of Proceeds	The proceeds from disposing of United States Immigration and Customs Enforcement (ICE) Service Processing Centers or other detention facilities, net of the costs of sale incurred by GSA and ICE shall be deposited as offsetting collections into a separate account that shall be available, subject to appropriation, until expended for other real property capital asset needs of existing ICE assets.
Department of Homeland Security,	14 U.S.C. § 670 Disposal	The Secretary is authorized to dispose of by sale, lease, or otherwise, any real property or interest therein used for Coast Guard family housing units for adequate consideration.

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
U.S. Coast Guard	14 U.S.C. § 681 Disposal	<p>The Secretary of the Department of Homeland Security may not carry out activities related to the dismantling or disposal of infrastructure comprising the LORAN-C system until the date on which the Secretary provides to relevant congressional committees notice of a determination by the Secretary that such infrastructure is not required to provide a positioning, navigation and timing system to provide redundant capability in the event the Global Positioning System signals are disrupted.</p> <p>On any date after the above notification is made, the GSA Administrator, acting on behalf of the Secretary, may sell any real and personal property under the administrative control of the Coast Guard and used for the LORAN-C system, subject to such terms and conditions that the Secretary believes to be necessary to protect government interests and program requirements of the Coast Guard.</p>
	Retention of Proceeds	<p>The proceeds of the sale of any real and personal property under the administrative control of the Coast Guard and used for the LORAN-C system, less the costs of sale incurred by GSA shall be deposited as offsetting collections into the Coast Guard "Environmental Compliance and Restoration" account and, without further appropriation, shall be available until expended for environmental compliance and restoration purposes associated with the LORAN-C system; the costs of securing and maintaining equipment that may be used as a backup to the Global Positioning System or to meet any other federal navigation requirement, the demolition of improvements on such real property; and the costs associated with the sale of such real and personal property.</p>
	14 U.S.C. § 685 Disposal	<p>The Secretary may convey, at fair market value, real property, owned or under the administrative control of the Coast Guard for the purpose of using the proceeds from such conveyance to acquire and construct military family housing and military unaccompanied military housing.</p>
	14 U.S.C. § 685 Retention of Proceeds	<p>The Secretary shall deposit the proceeds from the sale in the Coast Guard Housing Fund established under 14 U.S.C. § 687 for the purpose of expending such proceeds to acquire and construct military family housing and military unaccompanied military housing and may use amounts as provided in appropriations acts. Amounts made available from the fund remain available until expended.</p>

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
Department of Justice, Federal Bureau of Investigation	Pub. L. No. 102-395, § 102(b)(1), as amended by Pub. L. No. 104- 132, § 815(d) Disposal Retention of Proceeds	With respect to any undercover investigative operation of the Federal Bureau of Investigation or the Drug Enforcement Administration which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence, sums authorized to be appropriated for the Federal Bureau of Investigation and for the Drug Enforcement Administration, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions. Proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation. As soon as the proceeds from an undercover investigative operation are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited in the Treasury of the United States as miscellaneous receipts.
Department of Justice, Federal Prison Industries	18 U.S.C. § 4126 Retention of Proceeds	All moneys under control of Federal Prison Industries, or received from the sale of the products or byproducts of such Industries, or for the services of federal prisoners, shall be deposited or covered into the Treasury of the United States to the credit of the Prison Industries Fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the Government Accountability Office. Federal Prison Industries is authorized to employ the fund, and any earnings that may accrue to the corporation for, among other things, the lease, purchase, other acquisition, repair, alteration, erection, and maintenance of industrial buildings and equipment.
Department of Labor	29 U.S.C. § 568 Disposal Retention of Proceeds	The Secretary of Labor is authorized to accept, in the name of the Department of Labor, and employ or dispose of in furtherance of authorized activities of the Department of Labor any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.
	29 U.S.C. § 3208(g) Retention of Proceeds	Notwithstanding any other provision of law, if the GSA sells a Job Corps center facility, the Administrator shall transfer the proceeds from the sale to the Secretary, who shall use the proceeds to carry out the Job Corps program.
	29 U.S.C. § 3249(b) Disposal Retention of Proceeds	For purposes of Workforce Innovation and Opportunity, the Secretary is authorized to dispose of any money or property, real, personal, or mixed tangible or intangible, received by gift, devise, bequest, or otherwise.

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
Department of State	22 U.S.C. § 300 Disposal Retention of Proceeds	The Secretary of State is authorized to sell, exchange, lease or license any property or property interest for use of diplomatic and consular establishments in foreign countries or in the United States. Proceeds derived from dispositions from the sale, exchange, lease, or license of any property for use of diplomatic and consular establishments in foreign countries or in the United States shall be applied toward acquisition, construction, or other purposes authorized by the Foreign Buildings Service Act of 1926, as amended, or held in the Foreign Service Buildings Fund, as in the judgment of the Secretary may best serve the Government's interest.
	22 U.S.C. § 2697 Disposal Retention of Proceeds	The Secretary of State shall hold any real property made unconditionally by will or otherwise and shall either use such property for the operation of the Department of State and the performance of its functions, except that any such property not required for these purposes may be liquidated by the Secretary of State whenever in the judgment of the Secretary of State the purposes of the gift will be served thereby. The net proceeds from the liquidation of gifts of intangible personal property, or personal or real property not required for the operation of the Department of State and the proceeds of insurance on any gift property which are not used for its restoration, shall be deposited into the Treasury of the United States. Such funds are hereby appropriated and shall be held in trust by the Secretary of the Treasury for the benefit of the Department of State. Such funds and the income from such investments shall be available for expenditure in the operation of the Department of State and the performance of its functions.
	22 U.S.C. § 4303 Disposal	Based on his or her determination, the Secretary shall dispose of property acquired in carrying out the purposes of the Department of State.
	22 U.S.C. §§ 4304(b) (5) and (f) Retention of Proceeds	The Secretary of State may transfer funds made available under the heading "Acquisition and Maintenance of Buildings Abroad" (including funds held in the Foreign Service Building Fund) to the Working Capital Fund for the purpose of in-kind exchanges of property between the Government of the United States and the government of a foreign country for, or in connection with, diplomatic or consular establishments. If property acquired for purposes of exchange with a foreign government is instead sold, proceeds are available only as provided in advance in an appropriation act. [The Working Capital Fund shall be available without fiscal year limitation for, among other things, the purposes of 22 U.S.C. §§ 4301 et seq. (See 22 U.S. § 2684).]
Department of Transportation, Federal Aviation Administration	49 U.S.C. § 40110(a)(3) Disposal Retention of Proceeds	The Administrator of the Federal Aviation Administration may dispose of any interest in property for adequate compensation, and the amount so received shall be credited to the appropriation current when the amount is received; be merged with and available for the purposes of such appropriation; and remain available until expended.

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
	49 U.S.C. § 40110(c)(4) Disposal	The Administrator may construct and improve laboratories and other test facilities and dispose of those that are airport and airway property or technical equipment used for the special purposes of the Administration.
	49 U.S.C. § 45303(c) Retention of Proceeds	All fees and amounts collected by the Administration, with limited exceptions, shall be credited to a separate account established in the Treasury and made available for Administration activities. The amounts shall be available immediately for expenditure but only for congressionally authorized and intended purposes, and shall remain available until expended.
Department of Transportation, Federal Railroad Administration	45 U.S.C. § 823(h)(2) Disposal	The Secretary may complete, recondition, reconstruct, renovate, repair, maintain, operate, charter, rent, sell, or otherwise dispose of any property or other interests obtained if the recipient of a loan or loan guarantee under the Railroad Rehabilitation and Improvement Financing program does not meet the terms of the loan or loan guarantee.
Department of Transportation, Maritime Administration	46 U.S.C. § 50304(a) Disposal	The Secretary of Transportation may sell property (other than vessels transferred under section 4 of the Merchant Marine Act, 1920) on terms the Secretary considers appropriate.
	49 U.S.C. § 109 (h)(1) ^a Retention of Proceeds	In the same manner that a private corporation may make a contract within the scope of its authority under its charter, the Secretary may make contracts and cooperative agreements for the United States Government and disburse amounts to carry out the Secretary's duties and powers under this section, for purposes of the Merchant Marine, and all other Maritime Administration programs, and to protect, preserve and improve collateral held by the Secretary to secure indebtedness. Only those amounts specifically authorized by law may be appropriated for the use of the Maritime Administration, with the use of such proceeds subject to further appropriation by Congress.
Department of Transportation, St. Lawrence Seaway Development Corporation	33 U.S.C. § 984(a) ^b Disposal Retention of Proceeds	For the purpose of carrying out the functions of the Saint Lawrence Seaway Development Corporation, the Corporation may acquire, by purchase, lease, condemnation, or donation such real and personal property and any interest therein, and may sell, lease, or otherwise dispose of such real and personal property, as the Administrator deems necessary for the conduct of its business. For the purpose of carrying out the functions of the Saint Lawrence Seaway Development Corporation, the Corporation shall determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed and paid, subject to provisions of law specifically applicable to Government corporations.
Department of the Treasury, Comptroller of the Currency	12 U.S.C. § 5416 Disposal	The Office of the Comptroller of the Currency may acquire real property (or property interests) to carry out the duties and responsibilities of the office and hold, maintain, sell, lease or otherwise dispose of this property (or property interest).

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
	12 U.S.C. § 482 ^c Retention of Proceeds	The Comptroller of the Currency may impose and collect assessments, fees, or other charges as necessary or appropriate to carry out the responsibilities of the office of the Comptroller. Such assessments, fees, and other charges shall be set to meet the Comptroller's expenses in carrying out authorized activities.
Department of Veterans Affairs	38 U.S.C. § 2032(g) Disposal Retention of Proceeds	<p>The Secretary may dispose of any property acquired for the purpose of this section, which is the operation of residences and facilities as therapeutic housing in connection with the compensated work therapy programs. The proceeds of any such disposal shall be credited to the General Post Fund, which is a trust fund authorized by 31 U.S.C. § 1321(a)(45).</p> <p>Funds received by the Department under this section shall be deposited in the General Post Fund. The Secretary may distribute out of the fund such amounts as necessary for the acquisition, management, maintenance, and disposition of real property for the purpose of carrying out such program. The Secretary shall manage the operation of this section so as to ensure that expenditures under this subsection for any fiscal year shall not exceed by more than \$500,000 proceeds credited to the General Post Fund under this section. The operation of the program and funds received shall be separately accounted for, and shall be stated in the documents accompanying the President's budget for each fiscal year.</p>
	38 U.S.C. § 8118 Disposal Retention of Proceeds	<p>The Secretary is authorized to transfer real property under the jurisdiction or control of the Department of Veterans Affairs to another department or agency of the United States, to a state or political subdivision of a state, or to any public or private, including an Indian Tribe. The property must be transferred at fair market value, unless it is transferred to a homeless provider. Property under VA's authority cannot be disposed of until the Secretary determines that the property is no longer needed by the Department in carrying out its functions and is not suitable for use for the provision of services to homeless veterans by the Department under the McKinney-Vento Act or by another entity under VA's Enhanced-Use Lease authority. This authority expires on December 31, 2018.</p> <p>Proceeds from the transfer of real property are deposited in the Department of Veterans Affairs Capital Asset Fund and, to the extent provided in advance in appropriations acts, may be used for property transfer costs, including demolition, environmental remediation, maintenance and repair, improvements to facilitate the transfer, and administrative expenses; costs associated with future transfers of property under this authority; costs associated with enhancing medical care services to veterans by improving, renovating, replacing, updating, or establishing patient care facilities through minor construction projects; costs associated with the transfer, lease, or adaptive use of a structure or other property under the jurisdiction of the Secretary that is listed on the National Register of Historic Places.</p>

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
	38 U.S.C. § 8122(a)(3) Disposal	The Secretary may transfer to a State for use as the site of a State nursing-home or domiciliary facility real property which the Secretary determines to be excess to the needs of the Department.
	38 U.S.C. § 8164 Disposal	If, during the term of an enhanced-use lease or within 30 days after the end of the term of the lease, the Secretary determines that the leased property is no longer needed by the Department, the Secretary may initiate action for the transfer to the lessee of all right, title, and interest of the United States in the property. A disposition of property may not be made under this section unless the Secretary determines that the disposition under this section rather than under sections 8118 or 8122 of title 38 is in the best interests of the Department. A disposition under this section may be made in return for cash at fair value as the Secretary determines is in the best interest of the United States and upon such other terms and conditions as the Secretary considers appropriate.
Environmental Protection Agency	42 U.S.C. §9604(j) Disposal	The President is authorized to acquire, by purchase, lease, condemnation, donation, or otherwise, any real property or any interest in real property that the President in his discretion determines is needed to conduct a remedial action under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended. The President may use the authority for a remedial action only if, before an interest in real estate is acquired under this subsection, the State in which the interest to be acquired is located assures the President, through a contract or cooperative agreement or otherwise, that the State will accept transfer of the interest following completion of the remedial action.
General Services Administration	40 U.S.C. § 543 Disposal	The GSA Administrator is authorized to dispose of surplus real property by sale, exchange, lease, permit, or transfer for cash, credit, or other property.
	Pub. L. No. 108-447, title IV, § 412 Disposal Retention of Proceeds	The GSA Administrator, notwithstanding any other provision of law, is authorized by sale, lease, exchange, or otherwise, real and related personal property, or interests therein. Net proceeds from the disposition of real property are deposited in the Federal Buildings Fund and are used for GSA real property capital needs to the extent provided in appropriations act.
National Science Foundation	42 U.S.C. § 1870(e) Disposal	The National Science Foundation shall have the authority to hold and dispose of by grant, sale, lease, or loan, real and personal property of all kinds necessary for, or resulting from, the exercise of authority granted by the National Science Foundation Act of 1950, as amended.
Nuclear Regulatory Commission	42 U.S.C. § 2201(g) Disposal	The Nuclear Regulatory Commission is authorized to acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, and to sell, lease, grant, and dispose of such real and personal property as provided in the Atomic Energy Act of 1954, as amended.

**Appendix II: Disposal Authorities and
Retention of Proceeds Authorities Reported by
22 Federal Entities**

Federal entity	Statute and type of authority	Summary of authority
United States Postal Service	39 U.S.C. § 401(5) Disposal	The United States Postal Service is authorized to acquire personal or real property and to hold, maintain, sell, lease, or otherwise dispose of such property.
	39 U.S.C. §§ 2003 and 2401 Retention of Proceeds	Proceeds are deposited in the Postal Service Fund and remain available to the United States Postal Service without fiscal year limitation to carry out the purposes, functions, and powers authorized by title 39 of the U.S. Code. All revenues received by the United States Postal Service are appropriated to the United States Postal Service.

Source: GAO analysis of statutory authorities reported by 22 federal entities. | GAO-17-123

^aSee also Comp. Gen. decision B-141543, Jan. 5, 1960; 49 U.S.C § 109; 40 U.S.C. § 113(e)(5); and former 46 U.S.C. App. 1116 (Section 206 of Merchant Marine Act of 1936), which was omitted when title 46 was re-codified but is still in law because the recodification was not intended to change the law.

^bSee also Comp. Gen. decision B-34706, Dec. 5, 1947, and B-193573, Dec. 19, 1979.

^cSee also 12 U.S.C. §§ 192 and 481, and Comp. Gen. decision B-324857, Aug. 6, 2015.

Appendix III: Enacting Legislation for Disposal Authorities and Retention of Proceeds Authorities of Federal Entities

Federal entity	Statutory authority	Enacting and amending legislation
Department of Agriculture, U.S. Forest Service	16 U.S.C. § 580d note	<p>Pub. L. No. 109-54, 119 Stat. 560 (Aug. 2, 2005) – Authorized the Secretary to convey administrative sites with certain limiting terms and conditions on conveyances.</p> <p>Pub. L. No. 109-54, 119 Stat. 563 (Aug. 2, 2005) – Authorized the Secretary to deposit and use funds from the conveyance of administrative sites for specified activities.</p> <p>Pub. L. No. 111-8, 123 Stat. 748 (Mar. 11, 2009) – Duration of Secretary’s authority changed from Sept. 20, 2008 to Sept. 30, 2011.</p> <p>Pub. L. No. 112-74, 125 Stat. 1045 (Dec. 23, 2011) – Duration of Secretary’s authority changed from Sept. 30, 2011 to Sept. 30, 2016.</p>
Department of Energy	<p>42 U.S.C. § 2201(g)</p> <p>42 U.S.C. § 2342</p> <p>16 U.S.C. § 832a(e)</p> <p>16 U.S.C. § 838i(a)</p>	<p>Pub. L. No. 83-703, 68 Stat. 949 (Aug. 30, 1954).</p> <p>Pub. L. No. 84-221, 69 Stat. 476 (Aug. 4, 1955).</p> <p>Pub. L. No. 75-329, 50 Stat. 733 (Aug. 20, 1937).</p> <p>Pub. L. No. 93-454, 88 Stat. 1378 (Oct. 18, 1974).</p>
Department of Health and Human Services, Indian Health Service	<p>25 U.S.C. § 5324(f)</p> <p>25 U.S.C. § 5392(c)</p> <p>25 U.S.C. § 1660g(b)</p>	<p>Pub. L. No. 100-472, 102 Stat. 2292 (Oct. 5, 1988) – Authorized the Secretary to (1) permit an Indian tribe to use existing school buildings, hospitals, and other facilities, and personal property thereon; (2) donate to an Indian tribe the title to any excess personal property of the Bureau of Indian Affairs, Indian Health Service, or General Services Administration; and (3) acquire excess government personal property for donation to an Indian tribe.</p> <p>Pub. L. No. 101-644, 104 Stat. 4666 (Oct. 25, 1994) – Authorized the Secretary to donate real property to an Indian tribe and acquire excess government real property for donation to an Indian tribe.</p> <p>Pub. L. No. 103-413, 108 Stat. 4254 (Oct. 25, 1994) – Placed certain limitations on the Secretary’s authority to donate excess personal and real property to Indian tribes.</p> <p>Pub. L. No. 106-260, 114 Stat. 726 (Aug. 18, 2000).</p> <p>Pub. L. No. 111-148, 124 Stat. 935 (Mar. 23, 2010).</p>
Department of Homeland Security, Federal Emergency Management Agency	15 U.S.C. § 2218(b)(3)	Pub. L. No. 93-498, 88 Stat. 1548 (Oct. 29, 1974).
Department of Homeland Security, Immigration and Customs Enforcement	Pub. L. No. 114-4, § 544	Pub. L. No. 114-4, 129 Stat. 69 (Mar. 4, 2015).
Department of Homeland Security, U.S. Coast Guard	<p>14 U.S.C. § 670</p> <p>14 U.S.C. § 681</p>	<p>Pub. L. No. 103-206, 107 Stat. 2423 (Dec. 20, 1993).</p> <p>Pub. L. No. 114-120, 130 Stat. 83 (Feb. 8, 2016).</p>

**Appendix III: Enacting Legislation for Disposal
Authorities and Retention of Proceeds
Authorities of Federal Entities**

Federal entity	Statutory authority	Enacting and amending legislation
	14 U.S.C. § 685	<p>Pub. L. No. 104-324, 110 Stat. 3911 (Oct. 19, 1996) – Authorized the Secretary to convey or lease property or facilities to private persons with proceeds used to carry out activities under the chapter.</p> <p>Pub. L. No. 11-281, 124 Stat. 2919 (Oct. 15, 2010) – Authorized the Secretary to convey, at fair market value, real property of the Coast Guard with proceeds going toward acquiring and constructing military housing.</p>
	14 U.S.C. § 687	<p>Pub. L. No. 104-324, 110 Stat. 3912 (Oct. 19, 1996) – Established the Coast Guard Housing Fund and authorized it to include proceeds from the conveyance or lease of property or facilities under section 685. Authorized the Secretary to use the funds for military housing.</p> <p>Pub. L. No. 111-281, 124 Stat. 2920 (Oct. 15, 2010) – Limited authority of Coast Guard Housing Fund to include proceeds from conveyances of property, not proceeds from leases of property, nor proceeds from conveyances or leases of facilities.</p>
Department of Justice, Federal Bureau of Investigation	Pub. L. No. 102-395, § 102(b)(1)	<p>Pub. L. No. 95-624, 92 Stat. 3465 (Nov. 9, 1978) – Authorized the Federal Bureau of Investigation to use appropriated funds for leasing space within the United States, District of Columbia, and territories of the United States, when necessary for the detection and prosecution of crimes against the United States, or for the collection of foreign intelligence or counterintelligence. Authorized the Federal Bureau of Investigation to use or deposit the proceeds from such undercover operations.</p> <p>Pub. L. No. 102-395, 106 Stat. 1838 (Oct. 6, 1992) – Authorized the Federal Bureau of Investigation or Drug Enforcement Administration, during fiscal years 1993, 1994, and 1995, to use appropriated funds for purchasing property, buildings, and other facilities, and for leasing space within the United States, District of Columbia, and territories of the United States, when necessary to detect and prosecute crimes against the United States, or for the collection of foreign intelligence or counterintelligence. Authorized the Federal Bureau of Investigation and Drug Enforcement Administration, during fiscal years 1993, 1994, and 1995, to use or deposit proceeds from undercover operations.</p> <p>Pub. L. No. 104-132, 110 Stat. 1315 (Apr. 24, 1996) – Continued Pub. L. No. 102-395 § 102(b) until specifically repealed.</p>
Department of Justice, Federal Prison Industries	18 U.S.C. § 4126	Pub. L. No. 80-772, 62 Stat. 852 (June 25, 1948).

**Appendix III: Enacting Legislation for Disposal
Authorities and Retention of Proceeds
Authorities of Federal Entities**

Federal entity	Statutory authority	Enacting and amending legislation
Department of Labor	29 U.S.C. § 568	Pub. L. No. 102-394, 106 Stat. 1799 (Oct. 6, 1992) – Authorized the Secretary of Labor to accept, employ, or dispose of money, real property, or personal property received by gift, devise, bequest, or otherwise. Pub. L. 103-333, 108 Stat. 2548 (Sept. 30, 1994) – Continued the Secretary of Labor’s authority to fiscal year ending Sept. 30, 1995 and each fiscal year thereafter.
	29 U.S.C. § 3208(g)	Pub. L. No. 113-128, 128 Stat. 1554 (July 22, 2014).
	29 U.S.C. § 3249(b)	Pub. L. No. 113-128, 128 Stat. 1599 (July 22, 2014).
Department of State	22 U.S.C. § 300	Pub. L. No. 79-33, 59 Stat. 53 (Apr. 19, 1945).
	22 U.S.C. § 2697	Pub. L. No. 96-465, 94 Stat. 2153 (Oct. 17, 1980).
	22 U.S.C. § 4303	Pub. L. No. 101-246, 104 Stat. 24 (Feb. 16, 1990).
	22 U.S.C. §§ 4304(b) (5) and (f)	Pub. L. No. 101-246, 104 Stat. 24 (Feb. 16, 1990).
Department of Transportation, Federal Aviation Administration	49 U.S.C. § 40110(a)(3)	Pub. L. No. 85-726, 72 Stat. 748 (Aug. 23, 1958).
	49 U.S.C. § 40110(c)(4)	Pub. L. No. 112-95, 126 Stat. 39, 44 (Feb. 14, 2012).
	49 U.S.C. § 45303(c)	Pub. L. No. 104-264, 110 Stat. 3247 (Oct. 9, 1996).
Department of Transportation, Federal Railroad Administration	45 U.S.C. § 823(h)(2)	Pub. L. No. 105-178, 112 Stat. 476 (June 9, 1998).
Department of Transportation, Maritime Administration	46 U.S.C. § 50304(a)	Pub. L. No. 109-304, 120 Stat. 1565 (Oct. 6, 2006).
	49 U.S.C. § 109(h)(1)	Pub. L. No. 74-835, 49 Stat. 1987-88 (June 29, 1936).
Department of Transportation, St. Lawrence Seaway Development Corporation	33 U.S.C. § 984(a)	Pub. L. No. 83-358, 68 Stat. 94 (May 13, 1954).
Department of the Treasury, Comptroller of the Currency	12 U.S.C. § 5416	Pub. L. No. 111-203, 124 Stat. 1528 (July 21, 2010).
	12 U.S.C. § 482	Pub. L. No. 102-242, 105 Stat. 2248 (Dec. 19, 1991).
Department of Veterans Affairs	38 U.S.C. § 2032(g)	Pub. L. No. 105-114, 111 Stat. 2286 (Nov. 21, 1977). Pub. L. No. 107-95, 115 Stat. 918 (Dec. 21, 2001) -- Redesignated the section number of this authority within title 38 of the U.S. Code.
	38 U.S.C. § 8118	Pub. L. No. 108-422, 118 Stat. 2388 (Nov. 30, 2004).
	38 U.S.C. § 8122(a)(3)	Pub. L. No. 100-687, 102 Stat. 4135 (Nov. 18, 1988).

**Appendix III: Enacting Legislation for Disposal
Authorities and Retention of Proceeds
Authorities of Federal Entities**

Federal entity	Statutory authority	Enacting and amending legislation
	38 U.S.C. § 8164	<p>Pub. L. No. 102-86, 105 Stat. 420 (Aug. 14, 1991) – Authorized the Secretary to determine that leased property is no longer needed by the department and initiate action for the transfer to the lessee of the property by requesting the Administrator of the General Services Administration to dispose of the property.</p> <p>Pub. L. No. 108-422, 118 Stat. 2390 (Oct. 30, 2004) – Authorized the Secretary to dispose of property under this section, rather than section 8818 or 8122 of title 38, only if the Secretary determines that the disposition is in the best interests of the Department.</p> <p>Pub. L. No. 112-154, 126 Stat. 1181 (Aug. 6, 2012) – Authorized the Secretary to dispose of property in return for cash at fair value as he determines is in the best interest of the United States and upon such terms and conditions as the Secretary deems appropriate.</p>
Environmental Protection Agency	42 U.S.C. §9604(j)	Pub. L. No. 99-499, 100 Stat. 1624 (Oct. 17, 1986).
General Services Administration	40 U.S.C. § 543	Pub. L. No. 81-152, 63 Stat. 385 (June 30, 1949).
	Pub. L. No. 108-447, title IV, § 412	Pub. L. No. 108-447, 118 Stat. 3259 (Dec. 8, 2004).
National Science Foundation	42 U.S.C. § 1870(e)	Pub. L. No. 81-507, 64 Stat. 153 (May 10, 1950).
Nuclear Regulatory Commission	42 U.S.C. § 2201(g)	Pub. L. No. 83-703, 68 Stat. 949 (Aug. 30, 1954).
United States Postal Service	39 U.S.C. § 401(5)	Pub. L. No. 91-375, 84 Stat. 723 (Aug. 12, 1970).
	39 U.S.C. § 2003	Pub. L. No. 91-375, 84 Stat. 739 (Aug. 12, 1970).
	39 U.S.C. § 2401	Pub. L. No. 91-375, 84 Stat. 743 (Aug. 12, 1970).

Source: GAO analysis of statutory authorities reported by 22 federal entities. | GAO-17-123

Appendix IV: GAO Contact and Staff Acknowledgments

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Staff Acknowledgments

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