

Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue

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Summary

This is GAO's first annual report to Congress in response to a new statutory requirement that GAO identify federal programs, agencies, offices, and initiatives, either within departments or governmentwide, which have duplicative goals or activities. Congress asked GAO to conduct this work and to report annually on our findings. This work will inform government policymakers as they address the rapidly building fiscal pressures facing our national government. GAO's most recent update of its annual simulations of the federal government's fiscal outlook underscores the need to address the long-term sustainability of the federal government's fiscal

policies. Since the end of the recent recession, the gross domestic product has grown slowly and unemployment has remained at a high level. While the economy is still recovering and in need of careful attention, there is widespread agreement on the need to look not only at the near term but also at steps that begin to change the long-term fiscal path as soon as possible without slowing the recovery. With the passage of time, the window to address the challenge narrows and the magnitude of the required changes grows. GAO's simulations show continually increasing levels of debt that are unsustainable over time absent changes in current fiscal policies. The objectives of this report are to (1) identify federal programs or functional areas where unnecessary duplication, overlap, or fragmentation exists, the actions needed to address such conditions, and the potential financial and other benefits of doing so; and (2) highlight other opportunities for potential cost savings or enhanced revenues. To meet these objectives, we are including 81 areas for consideration based on related GAO work. This report is divided into two sections. Section I presents 34 areas where agencies, offices, or initiatives have similar or overlapping objectives or provide similar services to the same populations; or where government missions are fragmented across multiple agencies or programs. These areas span a range of government missions: agriculture, defense, economic development, energy, general government, health, homeland security, international affairs, and social services. Within and across these missions, this report touches on hundreds of federal programs, affecting virtually all major federal departments and agencies. Overlap and fragmentation among government programs or activities can be harbingers of unnecessary duplication. Reducing or eliminating duplication, overlap, or fragmentation could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services. The areas identified in this report are not intended to represent the full universe of duplication, overlap, or fragmentation within the federal government. We will continue to identify additional issues in future reports.

Given today's fiscal environment, Section II of this report summarizes 47 additional areas--beyond those directly related to duplication, overlap, or fragmentation--describing other opportunities for agencies or Congress to consider taking action that could either reduce the cost of government operations or enhance revenue collections for the Treasury. These cost-savings and revenue opportunities also span a wide range of federal government agencies and mission areas. The issues raised in both sections were drawn from GAO's prior and ongoing work. Many of the issues included in this report are focused on activities that are contained within single departments or agencies. In those cases, agency officials can generally achieve cost savings or other benefits by implementing existing GAO recommendations or by undertaking new actions suggested in this report. However, a number of issues we have identified, particularly in the duplication area, span multiple organizations and therefore may require higher-level attention by the executive branch or enhanced congressional oversight or legislative action. In some cases, there is sufficient information available today to show that if actions are taken to address individual issues summarized in this report, financial benefits ranging from the tens of millions to several billion dollars annually may be realized by

addressing that single issue. For example, while the Department of Defense is making limited changes to the governance of its military health care system, broader restructuring could result in annual savings of up to \$460 million. Similarly, we developed a range of options that could reduce federal revenue losses by up to \$5.7 billion annually by addressing potentially duplicative policies designed to boost domestic ethanol production. Likewise, we identified a number of other opportunities for cost savings or enhanced revenues such as reducing improper federal payments totaling billions of dollars, or addressing the gap between taxes owed and paid, potentially involving billions of dollars. Collectively, these savings and revenues could result in tens of billions of dollars in annual savings, depending on the extent of actions taken. In other cases, precise estimates of the extent of unnecessary duplication among certain programs, and the cost savings that can be achieved by eliminating any such duplication, are difficult to specify in advance of congressional and executive branch decision making. In some instances, needed information on program performance is not readily available; the level of funding in agency budgets devoted to overlapping or fragmented programs is not clear; and the implementation costs that might be associated with program consolidations or terminations, among other variables, are difficult to predict. For example, we identified 44 federal employment and training programs that overlap with at least one other program in that they provide at least one similar service to a similar population. However, our review of three of the largest programs showed that the extent to which individuals receive the same services from these programs is unknown due to program data limitations. In addition, Congress' determinations in making policy decisions and actions that agencies may take would affect the potential savings associated with any given option. Nevertheless, considering the amount of program dollars involved in the issues we have identified, even limited adjustments could result in significant savings.