

Creating a 21st Century Government: Enhancing Productivity and Achieving Cost Savings by Reducing Fragmentation, Duplication, and Overlap

April 8, 2014

Executive Summary

- Since the beginning of the Administration, the President has made it a priority to identify and eliminate inefficient, unnecessary, or duplicative spending.
- The Administration is committed to continuing to make progress in this important area through the President's Second Term Management Agenda, building on efforts to reduce administrative overhead, cut improper payments, reduce real estate costs, reform military acquisition, and consolidate data centers.
- The Administration is also continuing efforts to reorganize and consolidate Federal programs to reduce duplication and improve efficiency; and the President is again asking Congress to revive an authority that Presidents had for almost the entire period from 1932 through 1984 – the ability to submit proposals to reorganize the Executive Branch via a fast-track procedure. In effect, the President is asking to have the same authority that any business owner has to reorganize or streamline operations to meet changing circumstances and customer demand.
- While we wait for Congress to take action on this proposal, the Administration continues to use existing authorities to reorganize government and make it more efficient. For example, the Administration has already taken action to consolidate a number of science, technology, engineering, and mathematics (STEM) education programs designed to enable more strategic investment in STEM education and more critical evaluation of outcomes. The President's FY 2015 Budget included a number of specific proposals to address duplication and overlap in the Federal government, such as a fresh government-wide reorganization of STEM education programs, streamlining Farm Service Agency operations and expanding the use of strategic sourcing to leverage the buying power of the government. And the Administration has targeted unnecessary or lower priority programs for reduction or elimination, such as proposing to cancel the Defense Department's Ground Combat Vehicle Program based on the recommendation of our uniformed military leadership.
- In each of the President's first three Budgets, the Administration identified, on average, more than 150 terminations, reductions, and savings proposals, totaling nearly \$25 billion each year. In the 2013 and 2014 Budgets, the Administration detailed more than 200 cuts, consolidations, and savings proposals, again totaling roughly \$25 billion each year. The President's FY 2015 Budget included 136 cuts, consolidations, and savings proposals, which are projected to save nearly \$17 billion in 2015. The cuts, consolidations, and savings proposals this year reflect the deep spending reductions that occurred in 2013, some of which have continued in 2014, and the fact that many of the Administration's previous cuts, consolidations, and savings proposals have now been implemented.
- The President's Second Term Management Agenda represents a comprehensive and forward-looking plan to deliver better, faster, and smarter services to citizens and businesses; increase quality and value in the Government's core administrative functions and continue efforts to enhance productivity and achieve cost savings across the Government; open Government-funded data and research to the public to spur innovation and economic growth; and unlock the full potential of today's Federal workforce and build the workforce we need for tomorrow. The Agenda reflects the Administration's commitment to building a Government that focuses on results and draws on evidence-based practices to ensure that every taxpayer dollar is used wisely and to the maximum effect.

- The Administration has established a Cross-Agency Priority Goal for each of the main components of the President’s Management Agenda, as well as for a number of mission-focused priorities. These goals help ensure coordination on priorities that involve multiple departments and agencies. Each of the Cross-Agency Priority Goals is posted on [Performance.gov](https://www.performance.gov), the Administration’s performance tracking website, which will be updated to include regular status updates.
- On April 8, the Government Accountability Office (GAO) released its fourth annual report identifying opportunities for Congress and the Executive Branch to reduce fragmentation, duplication, and overlap, and achieve cost savings across the Federal government. In addition, GAO provided a progress report on its previous recommendations. The Administration appreciates the valuable work GAO continues to do on this important topic.
- GAO’s findings recognize the progress that has been made in addressing the recommendations previously identified in its reports. For example:
 - GAO found that Congress and the Executive Branch have made progress on addressing 130 of the 162 (80 percent) broad areas needing attention.
 - GAO found that the Executive Branch addressed or partially addressed 267 of the 323 (83 percent) recommended actions directed to the Executive Branch.
 - GAO found that Congress addressed or partially addressed 28 of the 66 (42 percent) recommended actions directed to Congress.
- The GAO report also included a set of 26 new recommendations, which the Administration is beginning to analyze. An initial review indicates that the Administration is already taking action to coordinate across agencies in many of the areas identified in the new recommendations. The Administration will carefully review the new recommendations to identify all opportunities to reduce fragmentation, overlap, and duplication and to achieve other financial benefits.
- Many of GAO’s recommendations deal with some of the most complex and challenging areas across the Federal government. Fully addressing them is a long-term process that in many cases will take years to implement – a fact that GAO recognizes.
- The Administration looks forward to continuing to work with GAO and Congress to maximize the value of every taxpayer dollar while increasing the productivity and quality of services.

Administration Efforts to Reduce Duplication and Improve Efficiencies

Under the President's direction, the Administration is working to deliver a 21st Century Government that is more effective, efficient, and supportive of economic growth. The President is committed to creating a Government that will make a significant, tangible, and positive difference in the lives of the American people and the economy, and to driving lasting change in how Government works.

In 2011, the President and Vice President launched the Campaign to Cut Waste, identifying numerous initiatives to cut inefficient and unnecessary spending and make government more effective, resulting in billions in savings and program consolidations and eliminations, some of which are highlighted below. In addition, the President's FY 2013 Budget established the first-ever government-wide [Cross-Agency Priority Goals](#), which promote coordination across agencies and programs in areas which deliver positive impact for the American people. For example, as part of the cross agency efforts to support the President's National Export Initiative, the Department of Commerce, as Chair of the Trade Promotion Coordinating Committee (TPCC), has taken actions to help achieve a record level of exports of \$2.3 trillion in 2013, which supported an additional 1.3 million U.S. jobs.

While the Administration has made notable progress in many areas, Congressional action could lead to further gains. February 2012, the President submitted for the first time a proposal to Congress to reinstate Presidential authority to reorganize Federal agencies to reduce the number of duplicative and overlapping government programs. And each of the President's Budget's has included cuts, consolidations, and savings proposals that would improve efficiency and save tens of billions of taxpayer dollars. For example, the President's 2015 Budget included 136 cuts, consolidations, and savings proposals, which are projected to save nearly \$17 billion in 2015.

Ongoing Administration efforts to achieve cost savings and maximize the value of Government investments include:

- **Reorganizing STEM Education Programs.** The President's FY 2015 Budget proposes a fresh Government-wide reorganization of science, technology, engineering, and mathematics (STEM) education programs designed to enable more strategic investment in STEM education and more critical evaluation of outcomes. In 2012, there were more than 200 STEM education programs across Government. Already, a substantial number of program consolidations and eliminations have been implemented or will be completed this year largely through administrative action. The Budget continues to reduce STEM fragmentation by proposing 33 additional program consolidations or eliminations, and focuses ongoing efforts around the five key areas identified by the Federal STEM Education 5-Year Strategic Plan.
- **Modifying the Medicare Provider Payment.** The FY 2015 Budget contains proposals that build on initiatives included in the Affordable Care Act to help extend Medicare's solvency while encouraging provider efficiencies and improved patient care. Specifically, the FY 2015 Budget modifies and restructures payments to certain providers to address payments that exceed patient care costs, increase efficiency and reduce waste, and recoups excess payments to manufacturers. For example, the Budget proposes to align Medicare payments for drugs with Medicaid rebate policies for low-income beneficiaries. It continues to crack down on fraud and creates more efficient, bundled payments for post-acute care providers. These, along with other Medicare proposals, would save more than \$400 billion and extend the solvency of the Hospital Insurance trust fund by approximately five more years.

- **Cutting Improper Payments.** When the President took office in 2009, the improper payment rate was 5.42 percent and rising. Since then, the Administration, working with the Congress, significantly reduced improper payments through yearly reviews by agency inspectors general and expanded requirements for high priority programs. This strengthened accountability and transparency in payments resulted in the improper payment rate declining to 3.53 percent in 2013 when factoring in DOD commercial payments. Furthermore, agencies recovered more than \$22 billion in overpayments through payment recapture audits and other methods in 2013.
- **Saving on Real Property Costs.** In 2012, the Administration issued a Freeze the Footprint policy and directed agencies to freeze the growth in their real estate inventory. Through this effort, the Administration works, in collaboration with the Federal Real Property Council, to improve the quality of real property inventory data and to develop key performance metrics. In 2014, the Administration will begin publicly tracking the Government's adherence to a fixed baseline of 730.2 million square feet of office and warehouse space. Agencies will continue to pursue mobile workforce strategies and tighter internal controls on space acquisitions. In addition, the Budget proposes the Civilian Property Realignment Act (CPRA), which would create an independent board of private and public sector real estate experts that would make recommendations to the Congress on properties that should be sold, consolidated, co-located, or reconfigured. Legislation to create CPRA would help to streamline the disposal process, generate \$2 billion in savings through the disposal of excess properties, and provide funds for real property reinvestment. Further, modernization would support the consolidation of the Federal real estate inventory and help reduce the Government's operating costs.
- **Consolidating Data Centers.** Under the President's Federal Data Center Consolidation Initiative, the Administration is working to optimize and consolidate Federal data centers across the Nation. Agencies are pursuing a dual track strategy: making their core, or most important data centers, operate more efficiently and closing down their non-core data centers and shifting workloads to lower-cost, optimized options, like cloud providers. Since agencies began executing their data center consolidation plans in 2011, more than 700 data centers have been closed (a complete listing of these can be found on Data.gov), leading to a net reduction in data centers for the first time in over a decade. At the remaining data centers, agencies have been lowering the costs of operations through greater energy efficiency, greater utilization of servers, and other improved operating practices. These savings are being reported through the PortfolioStat process.
- **Expanding Strategic Sourcing.** The Administration's efforts to better leverage the Government's buying power through the use of strategic sourcing has saved over \$300 million since 2010 on commonly purchased goods such as office supplies and services such as package delivery. For example, creation of central vehicles that can be used by all Federal agencies has reduced contract duplication and reduced prices for some common office supplies by over 65 percent. Such efforts save taxpayer dollars directly through reduced prices and duplication that allows agencies to focus scarce human capital resources on more complex, mission-critical efforts.
- **Expanding Shared Services.** Today, many agencies are spending too much time and money on administrative and operating functions that are not central to their core mission and shared by other agencies. These functions could be handled by Federal Shared Service Providers (SSPs), reducing duplication and costs while increasing quality of services through concentrated expertise. In some administrative areas, the Government has already coalesced around a small number of SSPs. For example, payroll services are provided for all Federal agencies by service centers at the Departments of Agriculture, the Interior, Defense (DOD), State, and the General Services Administration. In the largest financial management shared service arrangement established to date, the Department of Housing and Urban Development has signed an interagency agreement with the Department of the

Treasury to transition all of its core financial management functions to Treasury beginning in 2015. The Administration will continue to drive efficiencies and cost savings by increasing the performance and capacity of the SSPs.

- **Continuing PortfolioStat.** In 2012, OMB initiated the PortfolioStat process, a data-driven effort with agencies to examine IT portfolios and identify common areas of spending to decrease duplication and drive down costs. As a result of PortfolioStat, agencies reported nearly \$1.6 billion in savings and identified more than \$2.5 billion in savings that could be achieved over the 2013–2015 period. The Administration is committed to continuing the PortfolioStat process to drive further management improvements, save billions of dollars across the Federal Government, and improve services to Americans through the effective use of technology.
- **Expanding Federal Cloud Computing.** The government is transforming its IT portfolio through cloud computing, giving agencies the ability to purchase IT services in a utility-based model, paying for only the services consumed. As a result of the Administration's Cloud First policy, Federal agencies adopting cloud-based IT systems are increasing operational efficiencies, resource utilization, and innovation. To accelerate the pace of cloud adoption, the Administration established the Federal Risk Authorization Management Program (FedRAMP), a Government-wide program standardizing how we secure cloud solutions. To further grow the use of cloud-based services and improve customer service, the Government is working to establish a credential exchange system that allows citizens and businesses to securely access online services at different agencies without the need for multiple digital identities and passwords.
- **Consolidating Business and Trade Promotion into a Single Department.** As the President indicated in 2012, if given Presidential reorganization authority, the first proposal would be to consolidate a number of trade and economic development agencies and programs into a new Department with a focused mission to foster economic growth and spur job creation. By bringing together the core tools to expand trade and investment, grow small businesses, and support innovation, this reorganization would help American businesses compete in the global economy, expand exports, and create more jobs at home.
- **Reforming Military Acquisition.** The military services and defense agencies have a portfolio of 81 ongoing major weapon system acquisition programs, and DOD contracts account for approximately 70 percent of all Federal procurement. The Budget continues to invest in DOD's Better Buying Power (BBP) reform, charting a path to greater productivity in the military acquisition system. New BBP initiatives enforce affordability caps, measure cost performance, and align contractor profitability with acquisition goals. DOD-instituted best practices for procurement include applying lessons learned, expanding strategic sourcing, establishing acquisition professional reviews, and instituting peer reviews to ensure effective competition. These actions help further the Administration's ongoing Government-wide goal to ensure smarter and more fiscally responsible buying across Government.
- **Eliminating the Preventive Health and Health Services Block Grant.** The FY 2015 President's Budget eliminates the Preventive Health and Health Services Block Grant (PHHSBG) program given duplication with other public health programs. The PHHSBG activities could be more effectively and efficiently implemented through the State Public Health Actions to Prevent and Control Diabetes, Heart Disease, Obesity and Associated Risk Factors and Promote School Health program, which provides resources to states to coordinate activities across categorical funding streams.
- **Restructuring Army Aviation.** The Budget proposes to restructure the Army aviation fleet in order to eliminate duplication, focus resources on the most capable aircraft, and realign force structure

according to operational need. This proposal divests older, less capable aircraft and replaces them with more capable Apaches teamed with unmanned aerial vehicles for armed reconnaissance, and LUH-72 Lakota helicopters for training missions. The Army also proposes transferring Apache helicopters from the National Guard to the Active Army and transferring Blackhawk helicopters from the Active Army to the National Guard to better meet operational demands.

- **Reforming Crop Insurance Program.** The Budget proposes to reduce Federal subsidies for disproportionately subsidized plans that benefit primarily wealthy corporate farmers and to reduce overpayments to private crop insurance companies. Reforming Federal crop insurance by reducing subsidies for overly generous coverage is projected to save \$14 billion over the next 10 years.
- **Reforming the Federal Employees' Compensation Act (FECA).** The Budget proposes a series of FECA reforms that act on past GAO recommendations to improve and update the program. These reforms would generate Government-wide savings of more than \$340 million over 10 years.
- **Reforming Government-wide Grants and Financial Assistance Policies.** In 2013, the Administration issued consolidated guidance that streamlines eight Federal regulations into a single, comprehensive policy. The new guidance is a key component of the Administration's effort to more effectively focus the \$600 billion awarded annually for grants and other types of financial assistance on improving performance and outcomes while ensuring the financial integrity of taxpayer dollars.
- **Eliminating the Diesel Emissions Reduction Grant Program.** The Budget proposes to eliminate the Diesel Emissions Reduction Grant program in FY 2015, one of the programs identified in GAO's 2012 report under "Diesel Emissions". The program has helped to reduce pollution emissions through engine retrofits, rebuilds, and replacements. The remaining legacy diesel fleets will be reduced over time as they are replaced with engines that meet modern emission standards.
- **Streamline Farm Service Agency (FSA) Operations.** The FSA is focused on ensuring that it has the right workforce in the right places to deliver the best customer service possible. FSA has conducted a review of 2,100 field offices, and in an effort to modernize its field structure proposes closing or consolidating 250 offices as part of streamlining efforts that will save an estimated total of \$39 million in 2015.
- **Improving Administrative Benchmarking.** Federal agencies often do not have the tools to measure their performance in key administrative areas such as human resources, finance, IT, and real property. Beginning in 2014 and continuing in 2015, the Administration will leverage the Executive Councils, which represent the chief administrative and operating officials at Federal agencies, to establish cost, quality, and performance benchmarks in each of these key areas.

Many of these efforts overlap with opportunities identified by GAO for important government-wide and program-specific costs savings and efficiencies.

Progress on GAO's 2011, 2012, and 2013 Recommendations to the Executive Branch

GAO also has taken an active role in analyzing the structure of the Federal government and recommending areas to reduce duplication and fragmentation. In 2011, GAO began annual reporting on specific opportunities for the Federal government to reduce duplication, overlap, and fragmentation and to pursue other financial opportunities. The GAO also released annual reports in 2012 and 2013, and on April 8, 2014 released its fourth annual report.

In total, the first three GAO reports include more than 162 issue areas, many of which require the coordination of multiple Federal agencies or congressional committees to address. In almost all areas, fully completing a recommended consolidation or reform takes time – a fact that GAO recognizes. Despite this challenge, the Administration is committed to getting the job done.

An initial look at GAO's 2014 report indicates that it recognizes that significant progress is being made.

- GAO found that Congress and the Executive Branch have made progress on addressing 130 of the 162 (80 percent) broad areas needing attention.
- In terms of specific recommended actions within these broad areas, GAO found that the Executive Branch addressed or partially addressed 267 of the 323 (83 percent) recommended actions directed to the Executive Branch.
- GAO found that Congress addressed or partially addressed 28 of the 66 (42 percent) recommended actions directed to Congress.

Selected accomplishments in areas where GAO previously made recommendations include:

- **Homelessness Program (area 30, 2011).** The U.S. Interagency Council on Homelessness (ICH) is fully addressing the GAO recommendations related to improving interagency collaboration. ICH has provided strong leadership on cross-cutting homeless issues, and has forged substantive links between agencies to improve coordination and targeting, obtain better data and improve outreach efforts. These and other ICH collaborative efforts are essential to achieving the goals outlined in the Federal Strategic Plan to Prevent and End Homelessness. In addition, the 2015 President's Budget proposes to transfer funding for the FEMA Emergency Food and Shelter (EFS) program to the Department of Housing and Urban Development (HUD). By allowing HUD to administer this program, the Administration is aligning its dedicated homeless assistance resources, avoiding duplication between programs, and ensuring that the funding appropriated for EFS assists in meeting the goals of the Federal Strategic Plan.
- **Housing Assistance (area 28, 2012).** While the Administration has not proposed consolidating housing loan programs, the Administration is evaluating opportunities to improve programs through increased coordination among housing credit agencies.
 - From 2011-2013, the Rental Policy Working Group implemented a two-round pilot in six states to test the feasibility of conducting a single physical inspection in a sample of jointly subsidized multifamily housing properties that would satisfy all agencies' inspection requirements. In 2014, the Working Group is expanding the pilot to over 20 states.
 - In 2011, HUD implemented the Low-Income Housing Tax Credit (LIHTC) Pilot to align Federal Housing Administration (FHA) processing of mortgage insurance applications with the tight external deadlines imposed by the LIHTC program. In March 2014, FHA implemented several revisions to the LIHTC Pilot to provide more flexibility and make it available to a wider array of projects.

- **Economic Development Programs (area 9, 2011).** The Administration has launched a major initiative - BusinessUSA - aimed at addressing duplication issues in economic development programs identified in the GAO report. BusinessUSA, which was launched in 2012 and continues to grow, is a one-stop shop for businesses looking for Federal business assistance. The Administration also continues to request broader reorganization authority from Congress to improve the effectiveness and cost-efficiency of Federal programs as described previously.
- **Department of Homeland Security Grants Consolidation (area 26, 2011; area 17, 2012).** The President has proposed reforming the structure of Federal Emergency Management Agency (FEMA) grants by creating the National Preparedness Grant Program (NPGP) which would focus resources on building and sustaining core capabilities associated with the five mission areas of the National Preparedness Goal. As proposed, NPGP would break down existing program silos and shift the focus away from awarding funds based on State formulas toward a capability-enhancing regional approach. The new program would not be bound by a formula-based allocation, but would use competition and risk-informed assessments to close the gaps identified in a comprehensive Threat, Hazard, Identification and Risk Analyses (THIRAs), which are the product of a nation-wide needs assessment coordinated by FEMA. Investment justifications would be assessed by FEMA with significant regional input, with the goal of meeting specific response-level targets nationwide.
- **Support for Entrepreneurs (area 7, 2012).** The Department of Commerce (DOC), Small Business Administration (SBA), and Department of Agriculture (USDA) continue to make progress on improving program evaluation and performance metrics in programs designed to spur entrepreneurship. All three agencies are part of an interagency working group that is looking at the information currently collected on these technical assistance programs and what further information is needed to fully track their impact. BusinessUSA is also encouraging interagency collaboration on entrepreneurial development assistance programs.
- **Defense Warfighter Urgent Needs (area 3, 2011).** The Department of Defense has performed internal analysis and taken steps to streamline organizations and processes intended to address the urgent needs of warfighters. Two studies examining potential overlap or duplication in these efforts were provided in a May 2013 report to Congress on the “Review of Acquisition Processes for Rapid Fielding of Capabilities in Response to Urgent Operations Needs.” The result indicated that further consolidation was not currently needed, but highlighted that the Mine Resistant Ambush Protected (MRAP) Task Force was no longer operational and JIEDDO is being realigned as a permanent organization within the Office of the Under Secretary of Defense (Intelligence). These steps combined with guidance from the Chairman of the Joint Chiefs in 3170.01H, “Joint Capabilities and Development System”, and the Department of Defense Directive 5000.71, “Rapid Fulfillment of Combat Commander Urgent Operational Needs”, should lead to greater effectiveness and less duplication in supporting the warfighter.
- **Employment and Training (area 32, 2011).** The Administration has taken a number of steps to improve coordination and alignment across Federal training and employment programs. The Workforce Innovation Fund, launched last year, supports State, regional, and local efforts to work across program silos to produce better employment outcomes for job-seekers and workers; the 2015 Budget continues this program, along with a request for broader waiver authority to give grantees more room to innovate. The Administration has also sought greater flexibility to blend funding in exchange for greater accountability for outcomes. For example, its proposed Performance Partnership Pilot authority was enacted in the 2014 Omnibus and will permit greater cross-program work to achieve better outcomes for disconnected youth. The Administration has

also recommended targeted consolidations that would reduce overlap without adversely affecting vulnerable populations, like the Veterans Workforce Investment Program, which was eliminated in 2013 and its funding redirected to other veterans' employment activities. The 2015 Budget includes a New Career Pathways program that would provide individuals who lose their jobs with a single set of core services, consolidating two narrowly targeted programs. Lastly, the President has directed the Vice President to lead an interagency Job-Driven Training review to suggest changes to make training and employment programs more responsive to employers and the labor market, easier for job seekers to navigate, and more accountable for the employment outcomes they produce. This review will include recommendations to promote better alignment across programs.

- **Baggage Screening Systems (area 78, 2011).** The Transportation Security Administration (TSA) continues to invest in in-line explosives detection systems (EDS) for baggage screening. In-line configurations integrate the EDS equipment into the baggage handling system, allowing TSA to achieve operational improvements and staffing efficiencies. GAO reported in 2011 that these systems have the potential to generate significant cost savings for TSA. TSA estimates that in-line baggage screening systems have yielded a cumulative savings of \$200 million and over 3,000 full time equivalent positions through FY 2014. The 2015 Budget estimates an additional \$22 million in savings as a result of in-line baggage screening projects.
- **DOD's Coordination of Counter-Improvised Explosive Device Efforts and Timeline for Counter-Improvised Explosive Device Database Implementation (area 4, 2012).** In response to GAO's February 2012 recommendation, the Joint IED Defeat Organization (JIEDDO) developed the counter-IED initiative alternatives analysis process to help ensure that selected solutions are fully vetted to identify and reduce unnecessary duplication, overlap and fragmentation before being funded. JIEDDO has also developed a department-wide counter-IED efforts database, as GAO recommended in February 2012. JIEDDO now captures information derived from various sources to better comprehensively coordinate all DOD counter-IED efforts, thereby limiting and reducing the risk of duplication in its multibillion-dollar counter-improvised explosive device efforts.
- **Passenger Aviation Security Fees (area 48, 2012).** The President's Budget proposes an increase in the TSA aviation security passenger fee to cover a greater percent of the costs of TSA passenger and baggage screening and other aviation security services. The Budget proposal builds on the fee increase enacted in December through the Bipartisan Budget Act, which the Administration believes was an important step in bringing fees back in line with security costs. In 2012, GAO reported that increasing the TSA aviation passenger security fee could help offset billions of dollars in the federal budget for aviation security programs and activities.
- **Auto Recovery Office within DOL (area 50, 2012).** The Department of Labor is in the final stages of terminating the Office of Recovery for Auto Communities and Workers. While this Office was an instrumental part of the Administration's successful restructuring efforts of the American automotive industry, it has completed its mission.
- **Combat Uniforms (area 2, 2013).** The Department of Defense (DOD) developed and issued joint criteria for new camouflage uniforms, which are designed to provide equivalent levels of performance and protection, minimize risk to service members, and provide interoperability for future military ground combat uniforms.
- **Employment for People with Disabilities (area 10, 2012).** In addition to the actions GAO highlighted, the Administration has undertaken the following actions to better reduce duplication,

overlap, and fragmentation among programs that serve people with disabilities. The President's 2015 Budget requests new authority and \$400 million in new resources for the Social Security Administration (SSA), in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce. Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities, and the proposed demonstration authority will help build the evidence base for future program improvements. The demonstration proposals were developed through a comprehensive inter-agency process, and additional detail can be found in SSA's Congressional Justification. In addition, the Job-Driven Training review being led by the Vice President will involve several programs that serve individuals with disabilities, and result in recommendations aimed at improving and better aligning them with other programs to produce better outcomes for individuals with disabilities.

- **Domestic Food Assistance (area 29, 2011).** In February, the President signed into law the Agricultural Act of 2014, which included a provision that addresses an area of duplication identified by GAO, between the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the Commodity Supplemental Food Program (CSFP). Pursuant to this provision, CSFP will focus on serving seniors, while pregnant and postpartum women, infants, and children seeking assistance in the future will be served through the WIC program.

Of actions GAO previously recommended for Executive Branch attention which have not yet been addressed, many require longer-term implementation strategies, which GAO recognizes in its report.

- **Personnel Background Investigations (area 11, 2012).** Following the September 2013 Navy Yard shooting, the President directed the Office of Management and Budget (OMB) to lead a review of suitability and security clearance procedures for Federal employees and contractors. The Administration released a report detailing the findings of this review, identifying 13 recommendations to improve how the Government performs suitability determinations and security clearances, thereby ensuring the safety of Federal workers and the protection of our nation's most sensitive information. The report's recommendations were developed by an interagency review team, comprised of representatives from OMB, Office of the Director of National Intelligence (ODNI), Office of Personnel Management (OPM), Department of Defense (DoD), Department of Homeland Security (DHS), Department of Justice (DOJ), Federal Bureau of Investigation (FBI), the Information Security Oversight Office (ISOO), and the National Security Council (NSC). The review complements and builds upon DOD's Navy Yard Reviews, and ongoing work by OPM, ODNI, and other agencies. The Review assessed Government policies, programs, processes, and procedures involving determinations of federal employee suitability, contractor fitness, and personnel security. The interagency working group also evaluated the collection, sharing, processing, and storage of information used to make suitability, credentialing, and security decisions. The Review found the need for better information sharing, increased oversight over background investigations, and consistent application of standards and policies for both Federal employees and contractors.
- **DOD-VA Electronic Health Record System (area 18, 2011).** While continuing efforts to enhance seamless integration of health records, DOD and Veterans Affairs (VA) are on complementary paths for modernizing their respective electronic health record (EHR) systems. The VA/DOD Interagency Program Office (IPO) will lead the Departments' efforts to implement national health data standards for interoperability and is responsible for establishing, monitoring, and approving the clinical and technical standards profiles. The Departments and the IPO will provide regular updates on EHR development and acquisition efforts to the GAO.

- **Public Health Information Systems (area 20, 2011).** The Administration published the National Strategy for BioSurveillance in July 2012 and the National Biosurveillance Science and Technology Roadmap in June 2013, and is in the process of evaluating current capabilities and planning for improvements that will streamline the receipt and analysis of essential information.
- **Social Security Offsets (area 80, 2011).** The President's 2015 Budget includes a provision to improve collection of pension information from States and localities to better enforce the existing Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) policies.

Administration Progress in Selected Areas Identified in GAO's 2014 Recommendations

GAO's 2014 report includes a new set of recommendations not covered in previous GAO reports. The Administration is reviewing GAO's 2014 recommendations, but a preliminary review indicates that the Administration is already taking action in many of the areas identified by GAO. Ongoing action includes:

- **Army Workforce Planning (area 1, 2014).** The Army continues to work towards eliminating the Army Workload and Performance System (AWPS) and replacing it with the Logistics Modernization Program (LMP) to address the duplication that exists between these systems.
- **Contracting for Defense Health Care Professionals (area 2, 2014).** The Department of Defense (DOD) continues to explore opportunities for improved efficiency in contracting for Defense Health Care professionals. In October 2013, DOD stood up the Defense Health Agency (DHA), which is working on consolidating ten Shared Services, including contracting, among the three Services' Medical Departments, in order to improve effectiveness and efficiency within the Military Health System by achieving greater standardization and economies of scale across the system. The DHA Division on Contracting Shared Services has leveraged GAO's recommendations and is actively pursuing improved contracting strategies for health care professionals and other services and commodities.
- **Defense Satellite Control Operations (area 3, 2014).** DOD concurs with GAO that its satellite control operations should become more interoperable, and is working toward fulfilling the requirements in the FY 2014 National Defense Authorization Act. DOD is undertaking an extensive effort to develop a new satellite control operations architecture and concept of operations, which will leverage existing modernization plans and commercial best practices. The goal is to improve future satellite control operations and cyber protection while reducing life cycle cost and maintaining the uninterrupted operation of more than 170 satellites.
- **Defense Studies and Analysis Research (area 4, 2014).** Defense Studies and Analysis Research are currently conducted throughout the Department of Defense and each of the military services. While specific offices are designated to formally coordinate research requests within each service and the Office of the Secretary of Defense, there is not always a requirement to coordinate among entities. Regardless of where the research and analysis is approved, once it is being conducted, ongoing and completed reports and studies are shared throughout the defense community through the Defense Technical Information Center (DTIC), online at www.dtic.mil. In some specific areas, such

as the Science and Technology community, executive committees and communities of interest facilitate coordination in areas of overlapping interest to avoid duplication and combine efforts and resources to meet a common goal.

- **POW/MIA Mission (area 5, 2014).** In a July 2013 report, GAO found that the missing persons accounting community is at risk of performing overlapping and duplicative efforts due to a lack of clarity in its members' roles and responsibilities and a fragmented organizational structure. In an effort to address this issue, DOD announced in March 2014 that it will combine the Joint POW-MIA Accounting Command and the Defense POW-MIA Office into a single organization. The new organization will streamline POW-MIA personnel recovery operations. DOD will also create a single centralized case management database of missing service member information. This new system will aid in recovery and provide family members with a single point of contact for information on missing persons.
- **Minority AIDS Initiative (area 7, 2014).** In implementing the National HIV/AIDS Strategy, HHS established a working group in 2011. The working group established a set of common core HIV indicators across HHS-funded programs and developed corresponding implementation guidance. The group continues to work on streamlining data collection and reducing HIV grantee reporting burden by more than a third.
- **Disability and Unemployment Benefits (area 8, 2014).** The President's 2015 Budget proposes to prevent individuals from collecting full unemployment and disability insurance benefits for the same period of time. This will provide savings of about \$3 billion over 10 years.
- **Federal Employees Compensation and Unemployment (area 9, 2014).** The Administration's FECA reforms, which the 2015 Budget re-proposes, would authorize DOL to cross-match FECA records with Social Security wage records to reduce improper payments.
- **Combatant Command Headquarters Costs (area 12, 2014).** GAO's 2014 Annual Report on duplication assesses that DOD does not adequately evaluate staffing requirements and operating costs for the six geographic combatant commands (COCOMs). Since a previous GAO report in May 2013 recommended a comprehensive review of the size and structure of the COCOM headquarters, DOD has ordered a phased 20 percent reduction to all service and COCOM headquarters, in addition to other management reductions, which together will save \$5.3 billion through FY 2019 as described in the President's Budget for FY 2015. DOD will also strive to reduce COCOM headquarters' civilian staffing by 20 percent over the same period. In a related action, GAO recommends that DOD assess whether U.S. Africa Command should move its headquarters from Germany to the United States. Such a move requires more extensive analysis of the fiscal and operational impacts.
- **Advanced Technology Vehicles Manufacturing Loan Program (area 13, 2014).** ATVM was established by Congress in 2007 to support the production of fuel-efficient, advanced technology vehicles and components in the United States. The program has since supported more than a dozen new or retooled auto manufacturing plants across the country creating or saving over 35,000 jobs. While the program has faced challenges in attracting new applicants over the past few years, the Administration is actively working to reinvigorate the program through outreach and improvements to the application process.
- **Real Estate Owned Properties (area 18, 2014).** To continue making progress in maximizing the value of homes taken into possession through loan defaults, FHA is expanding use of rapid sales techniques such as pre-foreclosure sales and using enhanced sources of market price information such

as automated valuation models. FHA increased its share of pre-foreclosure sales from 6.6 percent in 2008 to 14.4 percent in 2013.

- **Social Security Disability Insurance & Earnings Data (area 22, 2014).** SSA continues to assess the feasibility of using additional data sources to identify beneficiary earnings and will add sources where doing so are cost-effective and permitted by law. In addition, SSA is analyzing the specific cases identified by GAO as potentially having been overpaid due to work above the substantial gainful activity level in the waiting period, properly developing evidence of earnings, and making work activity determinations according to the agency's policies.
- **Veterans' and Survivors' Benefits (area 23, 2014).** The Department of Veterans' Affairs (VA) is currently taking action to address GAO's 2014 report recommendation aimed at creating greater asset look-back review for veterans' and survivors' benefits. Under current regulations, veterans can transfer or gift assets prior to applying for pension benefits without penalty, and VA does not inquire about these transfers. VA has conducted a comprehensive rewrite of its regulations to allow more questions about asset transfers during the three years prior to applying for benefits. Once these rewrites are complete, VA will begin using the additional data to conduct look-back reviews to reduce fraud and ensure beneficiaries receive the correct benefits.
- **Better Data to Mitigate Foreclosures (area 25, 2014).** While FHA continues to evaluate its loss mitigation programs, it made changes to help borrowers at the very early stages of delinquency when interventions can prevent serious delinquency, including use of borrower characteristics to choose the appropriate form of assistance. FHA increased the number of households assisted with early intervention by 31 percent between 2010 and 2013 and reduced six month re-default rates from 17 percent in 2011 to 8 percent in 2013 among those who were helped by the agency's loss mitigation programs.
- **Housing Choice Vouchers Rent Reform (area 26, 2014).** The Administration continues to support HUD in its evaluation of public housing agencies participating in the Moving To Work (MTW) program that are undergoing rent reform efforts (i.e., changes in the way and amount families contribute towards rent) to determine which, if any, rent reform options can and should be expanded. Lessons learned from these efforts, however, are not only limited to the Housing Choice Voucher program but would apply to all HUD rental assistance programs, including Project Based Rental Assistance and Public Housing. In addition, as a part of the FY 2015 Budget, the Administration supports additional funding for the rent reform demonstration and plans to submit legislation to expand the MTW program to high performing public housing agencies to further test innovative strategies such as rent reform, combined with rigorous evaluation requirements.