

EXECUTIVE SUMMARY

2012 GAO DUPLICATION REPORT

On Tuesday, February 28, 2012, the Government Accountability Office (GAO) released its annual report addressing duplication and areas for costs savings throughout the federal government.

An amendment introduced by Senator Tom Coburn, approved unanimously in the Senate,¹ and attached to the February 2010 debt limit vote, directed to the GAO to “annually identify federal programs, agencies, offices, and initiatives with duplicative goals and activities, to estimate the cost of such duplication, and to make recommendations to Congress for consolidation and elimination of such duplication.”

The 2012 GAO duplication report reviews 51 areas of government spending, including 32 areas of extensive federal duplication, fragmentation and overlap, and 19 additional areas of opportunities for large cost savings through addressing waste and mismanagement.

- Main Duplication Report: 32 areas of review
- Opportunities for Cost Savings: 19 areas of review

And like last year’s report, which identified more than \$100 billion in budgetary savings by simply eliminating duplicative programs, today’s findings are a testament to failed congressional efforts of oversight and a reminder Congress continue to shirk its duty to address even blatant areas of waste and mismanagement of taxpayer funding.

Duplication exists throughout every federal agency and every corner of the budget, from the Department of Defense, to special interest tax credits, and every federal agency and office on Constitution Avenue.

The problem in Congress today is not an issue of ignorance—it is one of indifference and incompetence. The GAO report released today provides a very clear and concise listing of dozens of areas ripe for reform and in need of collaboration from members on both sides of the aisle, to find solutions to address these issues.

EXAMPLES FROM THE 2012 GAO DUPLICATION REPORT

Science, Technology, Engineering, and Mathematics (STEM) Education

There are 209 federal STEM education programs, administered by 13 different federal agencies, costing taxpayers more than \$3 billion annually.

Financial Literacy

There are 56 financial literacy programs across 20 federal agencies, according to a March 2011 survey of federal agencies. However, a subsequent analysis by GAO found that there were 15 financial literacy programs across 13 federal agencies, costing taxpayers more than \$30 million

¹ 111th Congress, 2nd Session, Senate Roll Call Vote 6, January 26, 2010, S. Amdt. 3303 (Division I) to H.J. Res. 45, http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=2&vote=00006

annually, if a narrower definition of financial literacy is used.

Department of Justice Grants

Since 2005, Congress has spent \$30 billion in overlapping Department of Justice grants for crime prevention police and victims services from more than 200 DOJ grant programs, and \$3.9 billion in grants just in 2010.

Housing Assistance

In 2010, the government spent roughly \$170 billion on housing related programs, of which \$132 billion was forgone revenue from tax expenditures related to housing.

GAO exposes there are “twenty different entities administer 160 programs, tax expenditures, and other tools,” that support homeowners and renters.”

GAO also found “39 programs, tax expenditures, and other tools provide assistance for buying, selling or financing a home,” and eight programs and tax expenditures provide assistance for rental property owners.”

Support to Private Sector on Green Buildings

There are 94 federal initiatives to encourage “green building” in the private sector, all run by 11 different federal agencies.

Diesel Emissions

There are 14 programs and three tax expenditures that sole or joint purpose is to reduce diesel emissions. Thirteen of the programs provide grants and one is a loan program. GAO also identified three tax expenditures that provide incentives for owners and operators of diesel engines and vehicles.

Overseas Defense Posture

Approximately 400,000 American soldiers, sailors, airmen, and marines are stationed overseas on a given day. However at least half of these military service members are in nations other than Iraq and Afghanistan. GAO recommends re-examining our overseas deployments to nations such as South Korea and Japan as well as territories such as Guam.

Science, Technology, Engineering, and Mathematics (STEM) Education

Federal agencies spent \$3.1 billion on science, technology, engineering, and math (STEM) education programs in FY2010.

According to GAO, 173 of the federal government’s 209 STEM education programs (or 83 percent) administered by 13 federal agencies was duplicative to at least some degree with at least one other federal STEM programs. The Department of Health and Human Services, National Science Foundation, and the Department of Energy administer 112, more than half, of these 209 programs.

Unfortunately, the federal government has *increased*, rather than streamlined, the number of STEM education programs in recent years. GAO reports that a third of all federal STEM programs funded in 2010 were first funded during the previous five years.

The federal government's 209 STEM education programs should be reviewed and streamlined to improve coordination and performance, minimize duplication, and eliminate unnecessary expenditures.

Overseas Defense Posture

Approximately 400,000 American soldiers, sailors, airmen, and marines are stationed overseas on a given day. This includes deployments to Iraq and Afghanistan. However at least half of these military service members are in nations other than Iraq and Afghanistan.

GAO recommends re-examining our overseas deployments to nations such as South Korea and Japan as well as territories such as Guam. DOD expects to spend \$17.6 billion on building facilities in South Korea to allow U.S. families to stay there permanently. This money could be saved by reducing the amount of ground troops in South Korea. DOD will spend \$29 billion to relocate Marines from Japan to Guam. Japan has agreed to pay no more than \$7 billion of the cost of this move. Savings assume that half the long term (through 2050) costs could be saved by reducing the presence of ground troops and maintaining air and naval facilities for future military operations as necessary.

Financial Literacy

A March 2011 survey of federal agencies revealed there are 56 financial literacy programs across 20 federal agencies. A subsequent analysis by GAO found that there were 15 financial literacy programs across 13 federal agencies if a narrower definition of financial literacy is used. The general purpose of these federal financial literacy programs is to help Americans make informed financial decisions.

GAO estimates the cost of 13 of the 15 federal financial literacy programs to be \$30.7 million as of FY2010. This estimate does not count the \$136.6 million that the federal government spent on housing counseling programs in FY2010. The number of financial literacy programs is expected to increase since the passage of the Dodd-Frank Act and the creation of the Bureau of Consumer Financial Protection.

Navy Information Technology

Navy Information Technology Enterprise Network is a large integrated IT system (internet, email, etc) for the Navy that may cost \$50 billion to develop, operate, and maintain through 2025. The Navy selected an acquisition approach that could cost \$4.7 billion more than the alternatives.

GAO recommends an immediate interim review of the Navy's approach toward the Enterprise Network. Savings assume the Navy adopting a different option presented that would meet its IT needs for \$4.7 billion less over the short term (FY2011 through FY2012).

Homeland Security Grants

GAO reports the federal government spent more than \$37 billion between FY2002 and FY2011 on a variety of DHS homeland security preparedness grant programs. As of March 2011, DHS operated 17 preparedness grant program.

Approximately \$20.3 billion of this funding was spent on the Federal Emergency Management Agency (FEMA)'s four programs: the State Homeland Security Program, the Urban Areas Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program.

GAO warns that these grant programs have similar goals and are used to fund similar activities in overlapping jurisdictions. In 2011, GAO recommended that DHS examine its 17 preparedness grant programs, coordinate application processes, develop better performance and capability criteria, and eliminate redundant reporting requirements. In a positive step forward, President Obama's FY 2013 budget proposes consolidating many of these grant programs.

Department of Justice Grants

Since 2005, Congress has spent \$30 billion in Department of Justice grants for crime prevention police and victims services from more than 200 DOJ grant programs, and \$3.9 billion in grants just in 2010.

The problem with duplication arises because recipients of grants may choose to award a portion of their grant to subgrantees. These subgrantees may also apply directly to DOJ for "funding through other grant programs for the same and similar purposes."

The GAO also found certain recipients where DOJ was awarding grants from different grant programs, "to the same applicants whose applications describe similar - and in some cases, the same -- purposes for using the grant funds."

One example the GAO refers to a county that received a Justice Assistance Grant (JAG) program subaward and used those funds for officers doing community policing. The same county and one city in that county received COPS office hiring grants for hiring officers to do community policing. In all, three DOJ grants went to providing community policing in the same county.

Housing Assistance

Since the 1930s, the government has played a major role in supporting and subsidizing the housing market. Whether through a subsidized mortgage, tax break, or rental subsidy, literally tens of millions of Americans benefit.

In 2010, the government spent about \$170 billion on housing related programs, of which \$132 billion was forgone revenue from tax expenditures related to housing.

The GAO found “twenty different entities administer 160 programs, tax expenditures, and other tools,” that support homeowners and renters. For example, the GAO found “39 programs, tax expenditures, and other tools provide assistance for buying, selling or financing a home,” and eight programs and tax expenditures provide assistance for rental property owners.”

Also, overlap exists between housing services provided for rural communities by USDA and HHS. The services offered and areas served by the two agencies duplicative the other.

The IRS also offers billions of dollars of housing assistance through the tax code, although some tax provisions “can contribute to mission fragmentation and program overlap that, in turn, can create service gaps, additional costs, and the potential for duplication.”

Support to Private Sector on Green Buildings

There are 94 federal initiatives to encourage "green building" in the private sector, all run by 11 different federal agencies.

Two-thirds of the initiatives are run by three agencies: HUD (29); EPA (18); and Energy (17). While these agencies have a seemingly obvious role in this area, there are twelve programs spread among the Small Business Administration and the Departments of Treasury and Education.

However, according to GAO, all of the programs essentially address the same issue, and in largely the same way: encouraging private builders to adopt "green" standards. GAO requested funding information for all 94 initiatives, but the agencies did not provide it and so GAO was unable to report the amount spent in 2011. Further, two-thirds of all the programs were unable to provide a single goal or performance measure related to green building.

Diesel Emissions

“There are 14 programs and three tax expenditures that sole or joint purpose is to reduce diesel emissions. Thirteen of the programs provide grants and one is a loan program. GAO also identified three tax expenditures that provide incentives for owners and operators of diesel engines and vehicles. As one example of overlap, GAO found “among the qualifying activities to the excise tax exemption for certain idling reduction devices and programs that fund idling reduction activities.”

One program at the Environmental Protection Agency (EPA) sole purpose is reduction of diesel pollution. The remaining 13 have other purposes as well. The report found “each of the 14 programs overlaps with at least 1 other program in the specific activities they fund, the program goals, or the eligible recipients of funding.”

GAO also identified examples of duplication where “more than one program provided grant or loan funding to the same recipient for the same type of activities.” In one case, a state transportation agency received three separate grants from three different DOT programs for \$11.2 million in total funding to replace diesel engines on buses.