



Testimony before the Subcommittee on
Federal Spending Oversight and
Emergency Management, Committee on
Homeland Security and Governmental
Affairs, U.S. Senate

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GOVERNMENT EFFICIENCY AND EFFECTIVENESS

Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits

Statement of Gene L. Dodaro,
Comptroller General of the United States

Chairman Paul, Ranking Member Hassan, and Members of the Subcommittee:

I am pleased to be here today to discuss opportunities to reduce fragmentation, overlap, and duplication, and achieve cost savings and other financial benefits for the federal government.

The federal government continues to face an unsustainable long-term fiscal path caused by an imbalance between federal revenue and spending, primarily driven by health care spending and interest on debt held by the public (net interest).¹ Addressing this imbalance will require difficult policy decisions about long-term changes to both spending and revenue. Acting soon to mitigate this imbalance would help to minimize the disruption to individuals and the economy.

Meanwhile, Congress and executive branch agencies have continued opportunities to contribute toward fiscal sustainability and act as stewards of federal resources. In eight annual reports issued from 2011 to 2018, we presented more than 800 actions for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenue.² Congress and executive branch agencies have partially or fully addressed 621 (77 percent) of the actions we identified from 2011 to 2018, resulting in about \$262 billion in financial benefits. We estimate tens of billions more dollars could be saved by fully implementing our open actions.³

¹GAO, *The Nation's Fiscal Health: Action Is Needed to Address the Federal Government's Fiscal Future*, [GAO-19-314SP](#) (Washington, D.C.: Apr. 10, 2019); and *Financial Audit: Fiscal Years 2018 and 2017 Consolidated Financial Statements of the U.S. Government*, [GAO-19-294R](#) (Washington, D.C.: Mar. 28, 2019). For additional information, see https://www.gao.gov/americas_fiscal_future.

²See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2018 annual reports: <http://www.gao.gov/duplication/overview>.

³In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits. Realized benefits have been rounded down to the nearest \$1 billion. Estimated potential benefits are subject to increased uncertainty, depending on whether, how, and when they are addressed, and are presented using a notional statement of magnitude.

Our 2019 report, our ninth in the series which is being released today, presents 98 new actions for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, and duplication and achieve other financial benefits.⁴ My testimony today describes (1) new issues identified in our 2019 annual report; (2) the progress made in addressing actions identified in our past reports; and (3) examples of open actions directed to Congress or executive branch agencies. I will also discuss statutory requirements that could enhance information needed to identify and address fragmentation, overlap, and duplication.

My comments are based upon our 2019 annual report, as well as our update on the progress made in implementing actions that we have suggested in our previous annual reports. These efforts are based upon work we previously conducted in accordance with generally accepted government auditing standards. More details on our scope and methodology, including the definitions we use for fragmentation, overlap, and duplication for this work, can be found in the [full report](#).

New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government

The 98 new actions we identified span the federal government and are opportunities that Congress or executive branch agencies can take to improve the efficiency and effectiveness of government in 28 new areas and 11 existing areas (see appendix I). Examples of the 28 new areas include:

- The Department of Energy could potentially avoid spending **billions of dollars** by developing a program-wide strategy to improve decision-making on cleaning up radioactive and hazardous waste to address the greatest human health and environmental risks.
- The Centers for Medicare & Medicaid Services could also potentially save **hundreds of millions of dollars** by improving how it identifies and targets risk in overseeing Medicaid expenditures to identify and resolve errors.
- Congress could enhance federal revenue by at least **tens of millions of dollars annually** through expanding the definition of allowable expenses authorized to be covered by the Foreign Military Sales

⁴GAO, 2019 Annual Report: *Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication, and Achieve Billions in Financial Benefits*, [GAO-19-285SP](#) (Washington, D.C.: May 21, 2019).

administrative account, thereby likely reducing the need to cover these expenses with other appropriated funds.

- The Department of Defense could expand its use of intergovernmental agreements to obtain military installation support services—such as waste management and snow removal—and potentially save **millions of dollars annually**.
- The Department of Defense could also potentially save **millions of dollars** in its administration of military treatment facilities—such as hospitals and dental clinics—by analyzing medical functions for duplication, validating headquarters-level personnel requirements, and identifying the least costly mix of personnel.
- The Department of Homeland Security should develop a strategy and implementation plan to help guide, support, integrate, and coordinate its multiple chemical defense programs and activities to better manage these fragmented efforts.
- The federal agencies that coordinate research on quantum computing and synthetic biology could better manage fragmentation by agreeing on roles and responsibilities and identifying outcomes to help agencies improve their research efforts to maintain U.S. competitiveness in these areas.

We identified 33 new actions related to 11 existing areas presented in its 2011 to 2018 annual reports. For example:

- Congress could provide the Internal Revenue Service the authority to require scannable codes on tax returns prepared electronically, but filed on paper, to improve its ability to combat tax fraud and noncompliance and save **tens of millions of dollars annually**.
- The U.S. Mint could potentially reduce the cost of coin production by **millions of dollars annually** by changing the metal content.
- The Department of Defense could collect cost and technical data and lessons learned to make more informed decisions on using commercial spacecraft to host government sensors and communications packages, which could lead to considerable cost savings.

Congress and Executive Branch Agencies Continue to Address Actions across the Federal Government

Congress and executive branch agencies have made consistent progress in addressing many of the 805 actions that we identified from 2011 to 2018, as shown in table 1. As of March 2019, they had fully addressed 436 actions (54 percent) and partially addressed 185 actions (23 percent). See our online [Action Tracker](#) for the status of all actions.⁵

Table 1: Status of 2011 to 2018 Actions Directed to Congress and the Executive Branch, as of March 2019

Status	Number of congressional actions (percentage) ^a	Number of executive branch actions (percentage) ^b	Total (percentage)
Addressed	33 (33%)	403 (57%)	436 (54%)
Partially addressed	13 (13%)	172 (24%)	185 (23%)
Not addressed	40 (40%)	75 (11%)	115 (14%)
Other ^c	14 (14%)	55 (8%)	69 (9%)
Total	100 (100%)	705 (100%)	805 (100%)

Source: GAO. | GAO-19-536T

^aIn assessing actions suggested for Congress, GAO applied the following criteria: “addressed” means relevant legislation has been enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate during the current congressional session, or relevant legislation has been enacted but only addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. Actions suggested for Congress may also move to “addressed” or “partially addressed,” with or without relevant legislation, if an executive branch agency takes steps that address all or part of the action needed. At the beginning of a new congressional session, GAO reapplies the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session.

^bIn assessing actions suggested for the executive branch, GAO applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development or started but not yet completed; and “not addressed”

⁵ GAO’s [Action Tracker](#), a publicly accessible website, allows Congress, executive branch agencies, and the public to track the government’s progress in addressing the issues we have identified. The [Action Tracker](#) includes a [downloadable spreadsheet](#) containing all actions, and can be sorted and filtered for further analysis.

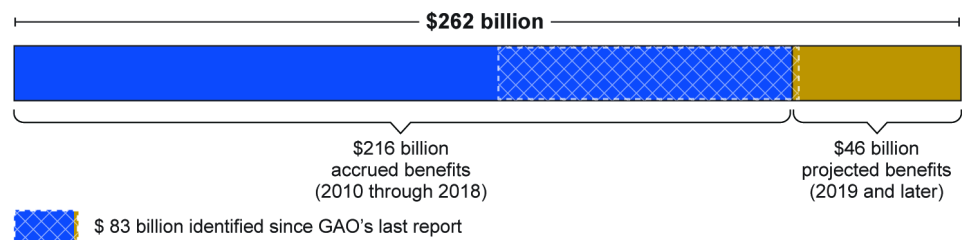
means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

^cOf the 69 “other” actions, GAO categorized 42 as “consolidated or other” and 27 as “closed-not addressed.” GAO no longer assesses actions categorized as “consolidated or other” and “closed-not addressed.” In most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. GAO generally categorizes actions as “closed-not addressed” when the action is no longer relevant due to changing circumstances.

Actions Taken by Congress and Executive Branch Agencies Led to Billions in Financial Benefits

As a result of steps Congress and executive branch agencies have taken to address our open actions, we have identified about \$262 billion in total financial benefits, including \$83 billion identified since our last report. About \$216 billion of the total benefits accrued between 2010 and 2018, while approximately \$46 billion are projected to accrue in future years, as shown in figure 1.

Figure 1: Total Reported Financial Benefits of \$262 Billion, as of March 2019



Source: GAO. | GAO-19-536T

Note: In calculating these totals, we relied on individual estimates from a variety of sources, which considered different periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits and have been rounded down to the nearest \$1 billion.

Examples of addressed or partially addressed actions and the associated costs savings or enhanced revenues can be found in our [full report](#).

Action on Remaining and New Areas Could Yield Significant Additional Benefits

Congress and executive branch agencies have made progress toward addressing actions that we have identified since 2011. However, further steps are needed. We estimate that tens of billions of additional dollars could be saved should Congress and executive branch agencies fully address the remaining 396 open actions, including the new ones identified in 2019. Addressing the remaining actions could lead to other benefits as well, such as increased public safety, better homeland and national security, and more effective delivery of services (see table 2).

Table 2: Examples of Areas with Open Actions with Potential Financial and Non-Financial Benefits

Area name and description <i>(year-number links to Action Tracker)</i>	Mission	Potential benefits <i>(Source when financial)</i>
*DOE’s Treatment of Hanford’s Low Activity Waste (2018-17): The Department of Energy may be able to reduce certain risks and adopt alternative approaches to treating a portion of its low-activity radioactive waste.	Energy	Tens of billions (GAO)
Defense Headquarters (2012-34): The Department of Defense could review and identify further opportunities for consolidating or reducing the size of headquarters organizations.	Defense	\$9.4 billion (National Defense Authorization Act for Fiscal Year 2016)
*Advanced Technology Vehicles Manufacturing Loan Program (2014-13): Unless the Department of Energy can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining credit subsidy appropriations. (GAO-14-343SP)	Energy	Up to \$4.3 billion (DOE)
*Disability and Unemployment Benefits (2014-08): Congress should consider passing legislation to prevent individuals from collecting both full Disability Insurance benefits and Unemployment Insurance benefits that cover the same period.	Income security	\$2.5 billion over 10 years (Office of Management and Budget)
*Medicare Payments by Place of Service (2016-30): Medicare could have cost savings if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed.	Health	Billions annually (GAO)
IRS Strategic Workforce Planning (2019-07): The Internal Revenue Service should address its fragmented human capital activities to improve its strategic workforce planning so it can better meet challenges to achieving its mission.	General government	Identify and address skills gaps in mission critical occupations
Military and Veterans Health Care (2012-15): The Departments of Defense (DOD) and Veterans Affairs (VA) need to improve integration across care coordination and case management programs to reduce duplication and better assist servicemembers, veterans, and their families.	Health	Better care from and management of DOD and VA Healthcare programs

Legend: * Legislation is likely to be necessary to fully address all actions in this area. A full list of open congressional actions can be found in Appendix V in the [full report](#).

Source: GAO. | GAO-19-536T

Note: All estimates of potential savings are dependent on various factors, such as whether action is taken and how it is taken. Actual savings may be less, depending on costs associated with implementing the action, unintended consequences, and the impact of other factors that could/should be controlled for. For estimates of potential financial benefits, GAO developed the notional estimates, which are intended to provide a sense of potential magnitude of savings. Notional estimates have been developed using broad assumptions about potential savings which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential savings.

Further Progress in Implementing Key Government-wide Requirements Would Enhance Efforts to Address Fragmentation, Overlap, and Duplication

The invitation to this hearing asked if there are further statutory changes that could enhance information needed to identify and address fragmentation, overlap, and duplication. In our view, Congress has already passed into law several government-wide statutory requirements. If fully and effectively implemented, these requirements offer important tools to identify existing programs, how resources are allocated to them and by them, and their results, which could help decision makers identify areas of fragmentation, overlap, and duplication and could help address issues we raise in this report. These include the following:

- **Program inventory**

The GPRA Modernization Act of 2010 (GPRAMA) requires the creation of a comprehensive inventory of all federal programs that could be a critical tool in improving how the government functions, in part by identifying and better managing fragmentation, overlap, and duplication.⁶ However, in October 2014 we found that the initial effort to develop a program inventory—something that could make government more transparent and reveal areas of fragmentation, overlap, and duplication—had fallen short, in part, because the Office of Management and Budget (OMB) allowed for significant discretion in several areas which led to a variety of approaches for defining programs and inconsistencies in the type of information reported across agencies.⁷

We made eight recommendations to OMB to ensure effective implementation and that the inventories provide useful information. For example, we recommended that OMB direct agencies to collaborate with each other in defining and identifying programs that contribute to common outcomes. However, as of March 2019, the executive branch had not resumed implementation of the inventory requirements. OMB put this effort on hold beginning in 2014 to merge implementation with the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act) and other priorities to provide a coherent picture of federal programs, activities, and spending.⁸

⁶31 U.S.C. § 1122(a).

⁷GAO, *Government Efficiency and Effectiveness: Inconsistent Definitions and Information Limit the Usefulness of Federal Program Inventories*, [GAO-15-83](#) (Washington, D.C.: Oct. 31, 2014).

⁸Pub. L. No. 113-101, 128 Stat. 1146 (May 9, 2014).

To help inform OMB efforts to develop a federal program inventory, we examined the principles and practices of information architecture—a discipline focused on how information is organized, structured, and presented—to develop a framework in 2017 that the executive branch could use in this effort.⁹ For example, one step in the framework involves developing consistent definitions of program characteristics such as beneficiaries and recipients.

In September 2017, we made two additional recommendations that could further ensure the usefulness of the inventory. Specifically, we recommended OMB consider using a systematic approach, such as information architecture, as it determines its strategy for implementation. We also recommended that OMB provide time frames and associated milestones for implementation of the program inventory in publicly-issued guidance.

As of March 2019, OMB had not taken any actions to address these 10 recommendations related to the federal program inventory. Recognizing the value of such a tool, in April 2019, we sent a letter to the OMB director that detailed open recommendations that we deemed to be the highest priority for implementation (priority recommendations) that included these 10 recommendations.¹⁰ Until these recommendations are implemented, the government remains without a comprehensive inventory of its programs.

- **DATA Act**

In addition to the existing program inventory requirement in GPRAMA, the DATA Act requires agencies to provide data on approximately \$4 trillion in annual federal spending which is reported to the public on [USAspending.gov](https://www.usaspending.gov).¹¹ A key component of the DATA Act was the requirement for OMB and Treasury to establish government-wide data standards. We have previously reported that the lack of data standards hamper the sharing of consistent data across agencies that

⁹GAO, *Federal Programs: Information Architecture Offers a Potential Approach for Development of an Inventory*, [GAO-17-739](#) (Washington, D.C.: Sept. 28, 2017).

¹⁰GAO, *Priority Open Recommendations: Office of Management and Budget*, [GAO-19-323SP](#) (Washington, D.C.: Apr. 10, 2019).

¹¹Pub. L. No. 113-101, 128 Stat. 1146 (May 9, 2014). The DATA Act amended the Federal Funding Accountability and Transparency Act of 2006 (FFATA). Pub. L. No. 109-282, 120 Stat. 1186 (Sept. 26, 2006), *codified* at 31 U.S.C. § 6101 note.

is important to identify fragmentation, overlap, and duplication in federal programs.¹²

Although progress has been made in developing standardized definitions, in 2017 we found that inconsistent application of definitions impacted data quality.¹³ Overall, budget data were largely consistent with authoritative agency records, but only between 0 to 1 percent of award records (e.g., grants, contracts, and loans) were fully consistent with agency sources.

OMB and Treasury agreed with our six recommendations to clarify guidance, help ensure data submissions are complete, and disclose data quality issues. We are auditing the quality of the data as well as OMB's and Treasury's actions to address our previous recommendations and plan to issue a report on this topic in November of this year.

- **Evidence-based policymaking**

The recently-enacted Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act) provides a new opportunity to address the significant financial, management, and performance challenges the federal government faces through improved understanding of data, evidence, and evaluation of federal programs.¹⁴ For years, our work has found that agencies either do not have evidence about the results their programs and operations are achieving, or that this information is not provided in a timely or useful manner to meet decision makers' needs.

In particular, this has been an area of concern in our annual reports on fragmentation, overlap, and duplication, where we have found agencies do not always have measures to assess performance of their programs and how their efforts are aligned with other programs in the same or similar mission areas. If fully and effectively implemented, the Evidence Act can help ensure federal decision

¹²GAO, *DATA Act: Progress Made in Initial Implementation but Challenges Must Be Addressed as Efforts Proceed*. [GAO-15-752T](#) (Washington, D.C.: July 29, 2015).

¹³GAO, *DATA Act: OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclose Limitations*, [GAO-18-138](#) (Washington, D.C.: Nov. 8, 2017).

¹⁴Pub. L. No. 115-435, 132 Stat. 5529 (Jan. 14, 2019).

makers systematically approach policymaking through improved understanding and use of data and other evidence.

During the last Congress, the House passed, and the Committee on Homeland Security and Governmental Affairs reported, the Taxpayers Right-To-Know Act.¹⁵ I continue to believe that the principles of the proposed act, such as disclosing the cost and performance of government programs, along with the effective and integrated implementation of the existing statutory requirements discussed above, provide a basis for further identifying and addressing fragmentation, overlap, and duplication across the federal government.

In conclusion, we will continue to look for additional or emerging instances of fragmentation, overlap, and duplication and opportunities for cost savings or revenue enhancement. Likewise, we will continue to monitor developments in the areas we have already identified. We stand ready to assist this and other committees in further analyzing the issues we have identified and evaluating potential solutions.

Thank you, Chairman Paul, Ranking Member Hassan, and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to answer questions.

GAO Contacts

For further information on this testimony or our May 21, 2019 report, please contact Jessica Lucas-Judy, Director, Strategic Issues, who may be reached at (202) 512-9110 or lucasjudyj@gao.gov and J. Christopher Mihm, Managing Director, Strategic Issues, who may be reached at (202) 512-6806 or mihmj@gao.gov. Contact points for the individual areas listed in our 2019 annual report can be found at the end of each area in [GAO-19-285SP](#). Contact points for our Congressional Relations and Public Affairs offices may be found on the last page of this statement.

¹⁵ H.R. 71, 115th Cong. (2017); S. 317, 115th Cong. (2017).

Appendix I: New Areas of Fragmentation, Overlap, and Duplication, and Opportunities for Potential Financial Benefits

Our 2019 report identifies 98 new actions that Congress or executive branch agencies could take to improve efficiency and effectiveness across the government.¹ We present 17 new areas where we found evidence of fragmentation, overlap, and duplication (see table 3).

Table 3: New Fragmentation, Overlap, and Duplication Areas Identified

Mission	Area
Agriculture	1. Arsenic in Rice: To avoid unnecessary and potentially inefficient duplicative efforts, the Food and Drug Administration and the U.S. Department of Agriculture should improve coordination of their efforts to develop methods for detecting contaminants in food, including arsenic in rice.
Defense	2. Defense Agency Human Resources Services: The Department of Defense should address fragmentation and overlap among providers of human resources services to increase effectiveness and efficiency and potentially save millions of dollars . 3. DOD Document Services: The Department of Defense should take actions to better manage fragmentation in its document services functions to potentially save millions of dollars annually . 4. Defense Health Care Reform: The Department of Defense could potentially save millions of dollars by resolving weaknesses in its planning efforts to reform the administration of military treatment facilities.
General government	5. Federal Shared Services: The Office of Management and Budget and the General Services Administration could better position themselves to achieve their cost savings goal of \$2 billion over 10 years and reduce inefficient overlap and duplication by strengthening their implementation of selected federal shared services reform efforts. 6. Foreign Asset Reporting: Congress should take steps to address overlap in foreign asset reporting requirements—which could potentially generate cost savings—while agencies should improve collaboration to help mitigate burdens faced by U.S. individuals living abroad. 7. IRS Strategic Workforce Planning: The Internal Revenue Service should address its fragmented human capital activities to improve its strategic workforce planning so it can better meet challenges to achieving its mission.
Health	8. DOD Adverse Medical Events: The Department of Defense needs to improve the systems and processes it uses to track the most serious adverse medical events to reduce and better manage fragmentation, fully understand why such events occurred, and identify what actions are needed to prevent similar incidents.
Homeland security/law enforcement	9. Chemical Terrorism: The Department of Homeland Security should develop a strategy and implementation plan for its chemical defense programs and activities to better manage these fragmented efforts. 10. Department of Homeland Security's Office of Strategy, Policy, and Plans: Clearer roles and responsibilities for the Department of Homeland Security's Office of Strategy, Policy, and Plans would enhance the department's efficiency and reduce the risks associated with fragmentation in the development of department-wide and crosscutting strategies, policies, and plans.

¹GAO, 2019 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication, and Achieve Billions in Financial Benefits, [GAO-19-285SP](#) (Washington, D.C.: May 21, 2019).

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Mission	Area
International affairs	11. Alignment of Foreign Assistance Strategies: Guidance from the Department of State would help agencies that provide foreign assistance align strategies and identify and better manage fragmentation.
	12. Coordination of Overseas Stabilization Efforts: To reduce the risks associated with fragmentation, overlap, and duplication, the Departments of State and Defense and the U.S. Agency for International Development should document their agreement to coordinate U.S. stabilization efforts through formal written guidance and agreements that address key collaboration practices.
	13. State’s Internal Communication Regarding Cuba Incidents: The Department of State should better manage fragmentation of information by revising its policies to ensure appropriate internal communication of relevant incidents that may involve injury, loss of life, or destruction of property at, or related to, U.S. missions abroad.
	14. U.S. Security Assistance to the Caribbean: The Department of State should establish an initiative-wide planning and reporting mechanism to better manage fragmentation and potential overlap of security assistance activities in Caribbean countries.
Science and the environment	15. Federal Research: Implementing leading practices for collaboration to better manage fragmentation could help agencies improve their research efforts to maintain U.S. competitiveness in quantum computing and synthetic biology.
	16. Patent Licensing at Federal Labs: The Department of Commerce could help federal agencies and laboratories more successfully license federal inventions to the private sector by addressing fragmentation of information on comparable licenses.
Training, employment, and education	17. SNAP Employment and Training: To ensure an efficient use of workforce development resources, the U.S. Department of Agriculture should help states better leverage existing resources for their Supplemental Nutrition Assistance Program employment and training programs.

Source: GAO. | GAO-19-536T

We also present 11 areas where Congress or executive branch agencies could take action to reduce the cost of government operations or enhance revenue collections for the U.S. Treasury (see table 4).

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Table 4: New Cost Savings and Revenue Enhancement Opportunities Identified

Mission	Area
Defense	18. DOD Installation Support Services: The Department of Defense could expand its use of intergovernmental support agreements to obtain military installation support services and potentially save millions of dollars annually .
	19. Foreign Military Sales Administrative Account: Congress could enhance federal revenue by at least tens of millions of dollars annually through expanding the definition of allowable expenses authorized to be covered by the Foreign Military Sales administrative account, thereby likely reducing the need to cover these expenses with other appropriated funds.
Energy	20. Department of Energy Environmental Liability: The Department of Energy could potentially avoid spending billions of dollars by developing a program-wide strategy to improve decision-making on cleaning up radioactive and hazardous waste.
General government	21. Disaster Response Contracting: The Federal Emergency Management Agency could make more cost-effective contracting decisions through better use of advance contracts and improved acquisition planning.
	22. Inland Waterways Construction: The U.S. Army Corps of Engineers should seek ways to more efficiently use available funding for inland waterways construction to potentially save tens of millions of dollars annually .
	23. Tax Treatment of 401(k) Transfers: Clarifying whether transfers of unclaimed savings from employer-based plans to states are distributions and should be subject to tax withholding could result in the Internal Revenue Service collecting over a million dollars annually in additional tax revenues if these transfers constitute taxable events.
Health	24. Medicaid Spending Oversight: The Centers for Medicare & Medicaid Services needs to improve how it identifies and targets risk in overseeing Medicaid expenditures to potentially save hundreds of millions of dollars .
	25. Medicare Clinical Laboratory Payments: The Centers for Medicare & Medicaid Services should take steps to avoid paying more than necessary for clinical laboratory tests, which could save Medicare over a billion, or potentially billions of dollars .
	26. Prior Authorization in Medicare: The Centers for Medicare & Medicaid Services should take steps to continue prior authorization, a payment approach that could potentially save millions of dollars in unnecessary Medicare spending.
Homeland security/law enforcement	27. Coast Guard Shore Infrastructure: The Coast Guard should employ models to predict the outcome of shore infrastructure investments and analyze trade-offs to potentially save millions of dollars .
Training, employment, and education	28. Federal Student Loan Default Rates: Strengthening accountability for schools with high student loan default rates could help protect both borrowers and the billions of dollars of federal student aid the government distributes each year.

Source: GAO. | GAO-19-536T

In addition to these 28 new areas, we identified 33 new actions related to 11 existing areas presented in our 2011 to 2018 annual reports (see table 5).²

²New for this year are two actions in the Higher Education Assistance area (2013-16) that the Department of Education addressed before this report was issued.

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Table 5: New Actions Added to Existing Areas in 2019

Mission	New action
Defense	1. Prepositioning Programs: In January 2019, GAO identified two new actions to help fully implement joint oversight of the Department of Defense’s prepositioned stocks programs and to reduce fragmentation.
Energy	2. Strategic Petroleum Reserve: In May 2018, GAO identified two new actions to help the federal government potentially realize savings by examining the optimal size of the Strategic Petroleum Reserve.
General government	3. Department of Veterans Affairs Medical Facility Construction: In July 2018, GAO identified three new actions to improve the accuracy of project budgets and better manage project delays and cost increases.
	4. Financial Regulatory Structure: In March 2018, GAO identified five new actions to help reduce fragmentation and improve collaboration among federal financial regulators.
	5. Identity Theft Refund Fraud: In June 2018, GAO identified four new actions to help the Internal Revenue Service prevent refund fraud associated with identity theft.
	6. Government-wide Improper Payments: In May 2018, GAO identified two new actions to help the federal government address the long-standing problem of improper payments.
	7. Government Satellite Program Costs: In July 2018, GAO identified a new action to help the Department of Defense make more informed decisions on using commercial spacecraft to host government sensors and communications packages, which could lead to considerable cost savings.
	8. U.S. Currency: In March 2019, GAO identified a new action to potentially reduce the cost of coin production by millions of dollars annually .
	9. Tax Fraud and Noncompliance: In July 2018, GAO identified six new actions to help IRS combat tax fraud and noncompliance and save tens of millions of dollars annually .
Training, employment, and education	10. Employment and Training Programs: In March 2019, GAO identified a new action to help the Department of Labor evaluate whether actions to manage fragmentation and overlap among employment and training programs are working.
	11. Higher Education Assistance: In November 2016, GAO identified six new actions to help the Department of Education improve its income-driven repayment plan budget estimates.

Source: GAO. | GAO-19-536T

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