

**Statement of Senator Fred Thompson (R-TN)
Chairman, Senate Committee on Governmental Affairs
March 29, 2000**

Meeting the Challenges of the Millennium

This morning the Governmental Affairs Committee is holding a hearing to discuss the major management challenges facing the federal government in the 21st Century. We will hear from one witness, the Comptroller General of the United States, Mr. David Walker.

Today we will hear the Comptroller General's view on what issues provide the greatest challenges for the federal government. Just last month, he recited an all too familiar litany of duplication, waste, mismanagement, and other Federal performance problems in testimony before the Senate and House Budget Committees. The GAO "high-risk list" of those Federal activities most vulnerable to fraud, waste, and abuse has grown from 14 problem areas in 1990 to 26 problem areas today. Only one high-risk problem has been removed since 1995. Ten of the 14 original high-risk problems are still on the list today—a full decade later. Likewise, inspectors general identify much the same critical performance problems in their agencies year after year.

Collectively, these core performance problems cost Federal taxpayers countless billions of dollars each year in outright waste. They also exact a real toll on the ability of agencies to carry out their missions and serve the needs of our citizens.

Despite these good economic times, polls repeatedly show that Americans have little trust or confidence in the Federal government. They want the Federal government to work, but they don't think that it does. Unfortunately, our citizens have ample reason for concern. Much of what is done in Washington is inefficient and wasteful.

To address this problem, Congress passed the Results Act, a law which is aimed at making government agencies report to Congress and the American people about what works and what doesn't. This week, agencies will release their first-ever performance reports. These will give Congress a real chance to judge the effectiveness of the programs it put in place. But there are problems with these performance reports, many of which mirror the challenges that Mr. Walker will describe in his testimony.

Agencies do not employ sound financial management practices, so they don't have the information they need to manage programs on a daily basis. Therefore, much of the information in performance reports will not be reliable. Also, the Executive Branch manages its human capital in a haphazard way. Agencies do not take advantage of the Results Act to tie their human capital management practices to the goals set forth in their plans. Information technology projects in the federal government are beset by failure because agencies don't plan appropriately - in Results Act documents or elsewhere - for their procurement and implementation, as required by the Clinger-Cohen Act.

The Results Act is a tool to better manage the federal government, and we need to rely on it more. But poor management is not the only problem. Few would dispute that the government in Washington cannot do effectively all that the Congress has asked it to do.

The Federal government of today is a cacophony of agencies and programs, many of which are directed at the same problems. In conjunction with this hearing, we are releasing a report by GAO that details the many challenges agencies face when coordinating among themselves their duplicative functions. According to this report, "mission fragmentation and program overlap are widespread in the federal government and crosscutting program efforts are not well coordinated."

In one example, GAO describes "50 programs administered by 8 federal agencies" that provide services for the homeless. Of these 50 programs, 16 programs with over \$1.2 billion in obligations were focused on helping only the homeless. The remaining 34 programs with about \$215 billion in obligations were

focused on helping low-income people in general, including the homeless. And this is just one of the myriad areas where duplication and overlap serve to undermine the mission of the programs.

Clearly, the time has come to take a comprehensive and fresh look at what the Federal government does and how it goes about doing it. There is an obvious need to bring some order out of this chaos.

Senator Lieberman, Senator Voinovich, Senator Brownback, Senator Roth and I have introduced legislation which establishes a commission to bring the structure and functions of our government in line with the needs of our Nation in the new century. The bill has been carefully crafted to address not just what our government should look like, but the more fundamental question of what it should do.

Of course, meaningful reform of the Federal government will not come from simply reshuffling current organizational boxes and redistributing current programs. We need to conduct a fundamental review of what Washington does and why. The commission will take a hard look at Federal departments, agencies and programs and ask such questions as:

- How can we restructure agencies and programs to improve the implementation of their statutory missions, eliminate activities not essential to their statutory missions, and reduce duplication of activities? and;
- How can we improve management to maximize productivity, effectiveness and accountability for performance results?

I think much of Mr. Walker's testimony will speak to these questions. We look forward to hearing his thoughts on the critical challenges facing the government of the 21st century and what we can do to prepare for them.