



United States Government Accountability Office

Testimony

Before the Subcommittee on the
Legislative Branch, Committee on
Appropriations, U.S. House of
Representatives

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FISCAL YEAR 2024 BUDGET REQUEST

U.S. Government Accountability Office

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

GAO Highlights

Highlights of [GAO-23-900493](#), a testimony before the Subcommittee on the Legislative Branch, Committee on Appropriations, U.S. House of Representatives

Background

GAO's mission is to support Congress in meeting its constitutional responsibilities and to help improve government performance. Since 2002, GAO's work has resulted in about \$1.31 trillion in financial benefits and over 27,000 program and operational benefits. Congress relies on GAO's nonpartisan, objective, and high-quality work to help inform congressional deliberations as well as oversight of the executive branch. GAO's work spans the full breadth and scope of the federal government's responsibilities.

In fiscal year 2022, GAO issued over 500 reports with 1,255 new recommendations and over 450 legal opinions, and handled about 1,600 bid protests. GAO was asked to conduct work for the Chairs or Ranking Members for over 90 percent of all standing committees. GAO testified 72 times before 43 separate committees or subcommittees on topics such as DOD and VA suicide prevention efforts, NASA's moon landing plans, and the Biodefense National Strategy.

This testimony describes GAO's FY 2024 budget request and how the request will further GAO's mission and results.

View [GAO-23-900493](#). For more information, contact A. Nicole Clowers at (202) 512-4400 or clowersa@gao.gov.

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GAO continued to demonstrate its value in fiscal year (FY) 2022. GAO's work yielded \$55.6 billion in financial benefits, a return of about \$74 for every dollar invested in GAO. Over the past five years, on average, GAO has returned \$145 for every dollar appropriated to us. In FY 2022, GAO also delivered 1,260 program and operational benefits that led to improved services to the American people, strengthened public safety, and spurred program and operational improvements across the government. Congress also continues to use GAO's work to inform its legislative decisions. For example, the National Defense Authorization Act for 2023 contained more than 20 actions based on GAO work and the Consolidated Appropriations Act for FY 2023 included 40 directives that would spur agency action on GAO's recommendations.

GAO's FY 2024 budget request reflects the continued demand for GAO services. In addition to the hundreds of requests from committee leadership for GAO studies we receive each year, Congress directs us to conduct hundreds of studies in legislation and related committee reports. For example, Congress directed us to provide oversight of the federal assistance provided to Ukraine and Inflation Reduction Act spending, which will require dozens and dozens of audits. Congressionally mandated studies reflect the broadest representation of congressional demand for and interest in GAO work. Completing these mandated studies are our highest priority. They can also account for significant staff resources.

GAO Mandated Studies from Selected Recent Public Laws

Public Law		Number of Mandates	Estimated FTE
P.L. 117-263	James M. Inhofe National Defense Authorization Act for Fiscal Year 2023	158	312
P.L. 117-328	Consolidated Appropriations Act, 2023	97	191
P.L. 117-103	Consolidated Appropriations Act, 2022	58	114
P.L. 117-167	CHIPS Act of 2022	10	20
P.L. 117-58	Infrastructure Investment and Jobs Act	35	69
Total		358	706

Source: GAO | GAO-23-900493

Note: These numbers reflect mandates in statute and in related committee reports. Estimated FTE is for staff to complete work and does not include overhead or other costs.

GAO's FY 2024 budget requests \$859.7 million in appropriated funds and uses \$93.8 million in offsets and supplemental appropriations. This request would enable GAO to modestly increase its staffing levels to 3,675 full-time equivalents to meet the demand for GAO services and ensure GAO employees have access to modern information technology tools and to a safe and secure work place. As outlined in the budget request, GAO plans to maximize its science and technology reporting capabilities to report on transformative technologies like artificial intelligence and blockchain, given the policy implications of these advances on government decision-making. GAO will also prioritize our reporting on government-wide cybersecurity capabilities; and continued evaluations of healthcare spending, military readiness, and defense weapons systems development.

Chairman Amodei, Ranking Member Espallat, and Members of the Subcommittee,

I greatly appreciate the subcommittee's support of GAO's efforts to serve the Congress and improve the federal government's performance and accountability on behalf of the American public. Since 2002, GAO's work has resulted in about \$1.31 trillion in financial benefits. Over the past five years, on average, GAO has returned \$145 for every dollar appropriated to us. In addition, over this period, we annually averaged over 1,300 program and operational benefits. This work helped change laws, improve public safety and other services, and promote better management throughout the government.

Congress relies on GAO's non-partisan, professional, objective and high-quality work to help inform congressional deliberations as well as oversight of the executive branch. Our work also makes government more efficient and effective and identifies government-wide cost savings and revenue enhancement opportunities. GAO has mirrored this fiscal stewardship in our own operations, which is reflected in our fiscal year (FY) 2024 budget request.

GAO's FY 2024 budget request will continue to advance our efforts in serving the Congress. This request, if honored, would enable us to modestly increase our staffing levels to continue to meet the demand for GAO services and ensure GAO employees have access to modern information technology tools and to a safe and secure work place.

Fiscal Year 2024 Request

For FY 2024 GAO requests \$859.7 million in appropriated funds, which includes \$5 million in no-year funding, an 8.8 percent increase over FY 2023 levels. It also includes the use of \$93.8 million in offsets and supplemental appropriations (see table 1). The no-year funding is to meet the congressional directives and requests for oversight of federal spending included in the Infrastructure Investment and Jobs Act (IIJA). The Act mandates more than 30 studies and additional oversight.

Table 1: FY 2022 – 2024 Summary of Resources by Program (dollars in thousands)

Program	Fiscal Year 2022 Actual		Fiscal Year 2023 Enacted		Fiscal Year 2024 Request		Net Change Fiscal Year 2023 / 2024	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Human capital	3,354	\$617,408	3,510	\$679,261	3,675	\$755,323	165	\$76,062
Engagement support		5,528		13,302		13,802		500
Infrastructure operations		126,793		156,230		182,230		26,000
Center for Audit Excellence		1,744		2,100		2,100		0
Total budget authority	3,354	\$751,473	3,510	\$850,893	3,675	\$953,455	165	\$102,562
Offsets		(\$32,243)		(\$60,574)		(\$93,802)		(\$33,228)
Appropriation		\$719,230		\$790,319 ^a		\$859,653	165	\$69,334

Source: GAO. | GAO-23-900493

^aThis amount includes \$5 million GAO received in FY 2023 to evaluate program spending pursuant to the Infrastructure Investment and Jobs Act (PL 117-58).

GAO’s FY 2024 budget request reflects the continued and growing demand for GAO services. In addition to the hundreds of requests from committee leadership for GAO studies that we receive each year, Congress directs us to conduct hundreds of studies in legislation and related committee reports. These congressionally directed studies, or mandates, reflect the broadest representation of congressional demand for and interest in GAO work.

Completing these mandated studies are our highest priority. They can also account for significant staff resources. For example, table 2 shows the number of mandates, and the estimated number of FTEs needed to complete the mandates, from selected pieces of legislation and related committee and conference reports. Congress also directed us to provide oversight of federal assistance provided to Ukraine, as well as Inflation Reduction Act (IRA) spending, which includes \$80 billion for the Internal Revenue Service and billions of dollars in funding and tax credits for greenhouse gas emissions, among other climate change efforts. These directives will result in dozens of audits on the federal assistance to Ukraine; we also have 32 audits ongoing or planned on IRA spending through 2025, with more audits expected in the future.

Table 2: GAO Mandated Studies from Selected Recent Public Laws

Public Law		Number of Mandates	Estimated FTE
P.L. 117-263	James M. Inhofe National Defense Authorization Act for Fiscal Year 2023	158	312
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Source: GAO. | GAO-23-900493

Note: These numbers reflect mandates in statute and in related committee reports. Estimated FTE is for staff to complete work and does not include overhead or other costs.

The budget request will allow GAO to continue to provide Congress with fact-based, nonpartisan information and analysis that address both longstanding and emerging national interests. We will maximize our science and technology reporting capabilities to report on transformative technologies like artificial intelligence and blockchain, given the policy implications of these advances on government decision-making. We will also prioritize our reporting on government-wide cybersecurity capabilities. Other areas we will focus audit resources on will be continued evaluations of the challenges associated with evolving national defense issues and growing health care costs.








Science and technology. Transformative technologies like artificial intelligence, biotechnology and decarbonization technologies demonstrate the importance of understanding the policy implications of scientific and technological advances. For example, each year, medical diagnosis errors affect the health of millions of Americans and cost billions of dollars, but machine learning technologies can help identify hidden or complex patterns in diagnostic data to detect diseases earlier and improve treatments. Similarly, decarbonization technologies could profoundly change the way we capture, use, and store carbon. Understanding the implications of science and technology advances is also critical for protecting our national security and economic interests.

GAO is a key resource for the Congress in monitoring and addressing such challenges. Our portfolio of work includes technology assessments on topics from regenerative medicine to persistent chemicals. Our science and technology (S&T) audit work spans from research to technology transfer to advanced manufacturing. GAO's Innovation Lab

continues to explore how emerging technologies such as blockchain can enhance audit and analytics capabilities.

Since 2019, we have issued 38 of our Science and Tech Spotlights, which distill complex issues into a two-page summary. Last year, we issued nine such products in areas including brain-computer interface, deep-sea mining, and non-fungible tokens. During this period, we also issued 17 in-depth Technology Assessments on various topics, including large constellations of satellites in Earth's orbit and decarbonization (see figure 1). We also issued a series of reports, in collaboration with the National Academy of Sciences, that examined the potential of artificial intelligence in healthcare. These reports focused on accelerating drug development; medical diagnostics; and the provision of healthcare.

Figure 1: Examples of Selected Technology Assessments

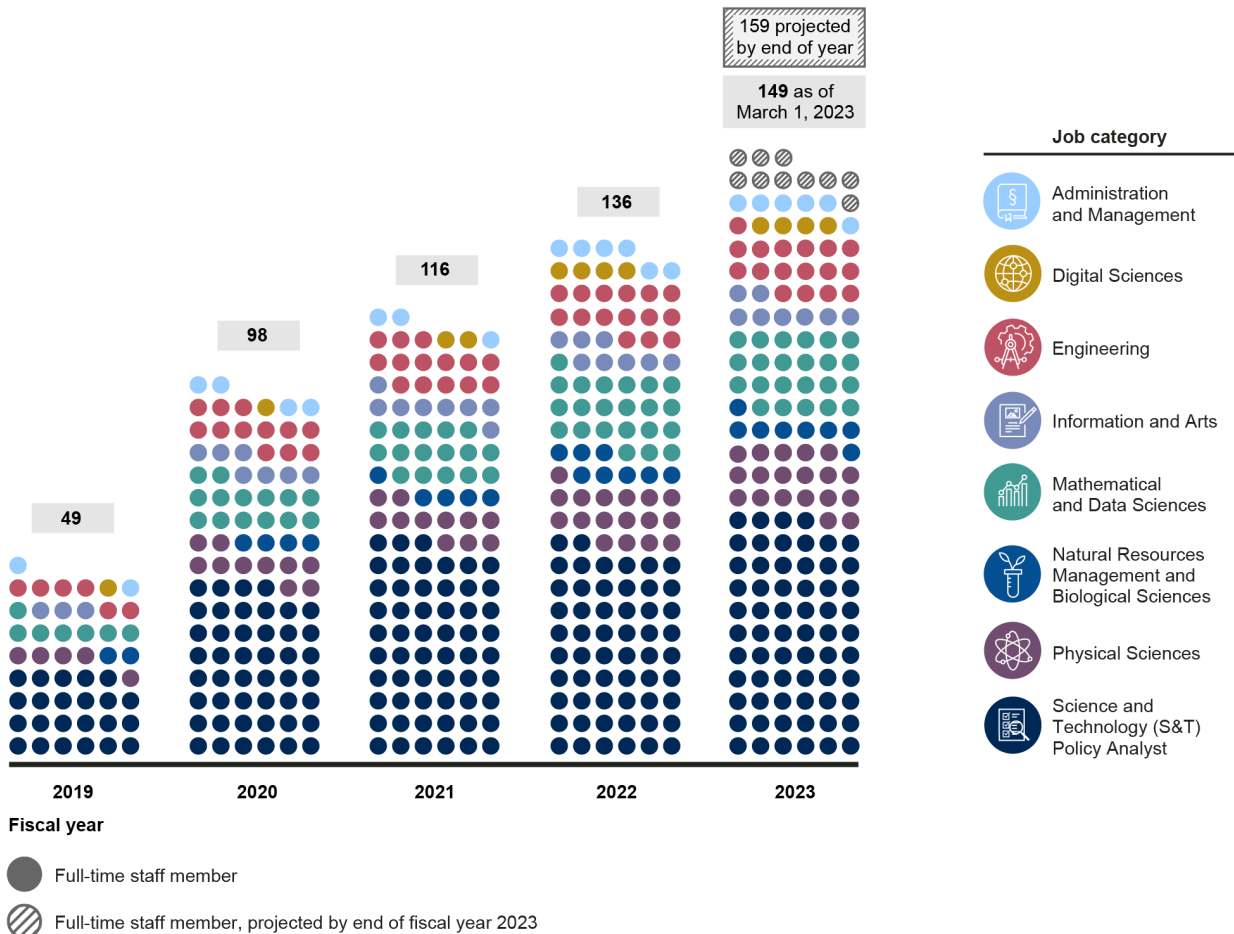
 <p>Blockchain: Emerging Technology Offers Benefits for Some Applications but Faces Challenges GAO-22-104625</p>	<p>GAO developed four policy options that could help address ethical, legal, economic, and social challenges raised by the use of blockchain technologies: (1) unification of standards and policies on development, implementation, and use; (2) clarification of existing oversight mechanisms; (3) development of educational materials for users and regulators; and (4) support for activities designed to determine appropriate use and mitigate specific challenges.</p>
 <p>Semiconductor Supply Chain: Policy Considerations from Selected Experts for Reducing Risks and Mitigating Shortages GAO-22-105923</p>	<p>GAO assessed policy options with emphasis on five areas: (1) workforce development; (2) increasing manufacturing capacity through financial incentives and streamlining permitting processes; (3) research and development; (4) strengthening the supply chain with security and monitoring; and (5) international coordination to improve supply chain resilience.</p>
 <p>Digital Services: Considerations for a Federal Academy to Develop a Pipeline of Digital Staff GAO-22-105388</p>	<p>GAO gathered perspectives from government, academia, and the nonprofit sector to share perspectives focused on: (1) federal workforce needs for digital services staff; (2) key characteristics of a digital service academy; and (3) considerations to help ensure federal agencies can absorb graduates of a digital service academy.</p>
 <p>Facial Recognition Technology: Federal Agencies' Use and Related Privacy Protections GAO-22-106100</p>	<p>GAO surveyed federal agency use of facial recognition technology (FRT) in areas such as digital access and domestic law enforcement, finding some agencies fail to track employee use of non-federal FRT systems, which results in subsequent privacy implications, and that some agencies lack consistency of audits and privacy notice implementations.</p>
 <p>Advanced Manufacturing: Innovation Institutes Report Technology Progress and Members Report Satisfaction with Their Involvement GAO-22-103979</p>	<p>GAO analyzed Manufacturing USA institutes and their progress toward achieving their technology goals, assessing progress on projects from development to simulated production, factors that may limit smaller manufacturer engagement, and the implementation of GAO's previous recommendations towards fulfilling the institutes' purpose.</p>
 <p>Federal Research: Agency Actions Needed to Address Foreign Influence GAO-22-105434</p>	<p>GAO surveyed five agencies that account for almost 90% of all federal research and development expenditures at universities in fiscal year 2018 with emphasis on: (1) conflict of interest policies; (2) the impact of new guidance for updating policies and strengthen protections for research against foreign influence; (3) mechanisms for monitoring; and (4) enforcement actions including criminal referral.</p>
 <p>Persistent Chemicals: Technologies for PFAS Assessment, Detection, and Treatment GAO-22-105088</p>	<p>GAO developed the policy options that could help mitigate challenges resulting from the complexity and diversity of chemical structures, the lack of analytical standards, and the effectiveness and availability of disposal and destruction options: (1) promote research; (2) expand method development; and (3) support full-scale treatment.</p>

Source: GAO. Data as of 11/30/2022. Yasindu(blockchain)/Iconlaur(semiconductor)/Enotmaks(digital services)/Vikivector(facial recognition)/TriMaker(manufacturing)/Bsd Studio(federal research)/Yurii (chemicals)stock.adobe.com. | GAO-23-900493

Our FY 2024 budget request will allow us to continue build our S&T capabilities through expanding the expertise on our Science, Technology Assessment and Analytics (STAA) team.

As directed by Congress, since 2019 we have almost tripled the staff resources of STAA. As of March 1, 2023, STAA has 149 full-time staff, and is actively hiring for another 10 positions. This highly capable staff has advanced degrees in a wide variety of fields such as microbiology, quantum mechanics, nuclear physics, public health, and chemical engineering. Our budget request would allow us to continue to expand this team to 200 staff.

Figure 2: STAA Staff Levels, 2019-2023












Source: GAO; antoniofrancois/Singh Villasra/stockgood/Skellen/YuriyAlt_Art/stock.adobe.com (icons). | GAO-23-900493

Cybersecurity. Escalating threats, including new and more destructive attacks from around the globe, highlight the critical and persistent need for effective cybersecurity. We have a decades-long track record of informing congressional decision-making on cybersecurity issues. In 2019, we created our Center for Enhanced Cybersecurity within our Information Technology & Cybersecurity team, bringing additional focus and capacity to GAO's work. CEC is a dedicated group of cyber professionals that dig deep into the technical details of agency systems and networks to get to the bottom of persistent cybersecurity weaknesses.

For example, our cybersecurity work has contributed to major legislation on information security, including the Federal Information Security Management Act of 2002 (FISMA), the subsequent amendment to FISMA in 2014, and the Federal Cybersecurity Enhancement Act of 2015. Recognizing that cyber-attacks and threats can have serious or even catastrophic effects on federal systems, we have conducted cybersecurity assessments on a range of critical issues in recent years (see fig. 3).

Figure 3: Highlights of Cybersecurity Assessments

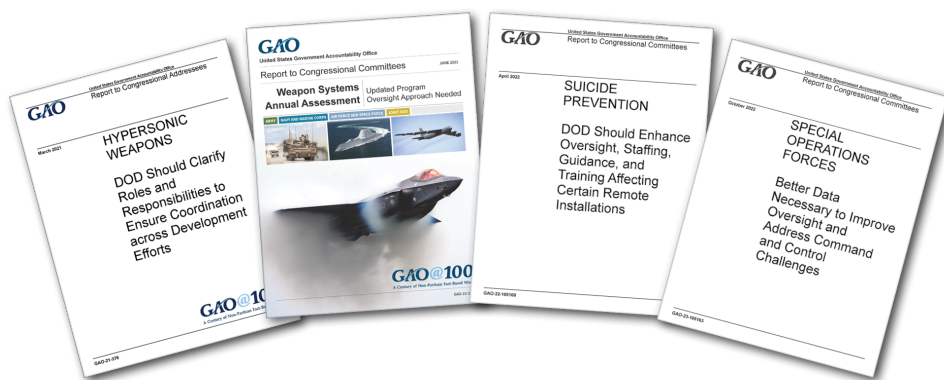
	<p>Cybersecurity: Kick-Starting the Office of the National Cyber Director GAO-22-105502</p>	<p>The federal government needs to develop and implement a comprehensive strategy to overcome the cyber threats facing our nation. In 2021, Congress created the Office of the National Cyber Director to lead the nation's cybersecurity efforts. GAO provides an overview of the Office's strategic statement, which summarizes its vision and path to improve the nation's cybersecurity. The Office noted that it's currently developing its national strategy and getting feedback from other federal agencies.</p>
	<p>Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks GAO-21-171</p>	<p>Federal agencies rely on information and communications technology products and services to carry out their operations. The global supply chain for this technology faces threats. GAO identified 7 practices for providing an agency-wide approach to managing these supply chain risks. Of the 23 agencies GAO examined, few implemented the practices, none had fully implemented all practices, and 14 had not implemented any practices.</p>
	<p>Cloud Computing: Federal Agencies Face Four Challenges GAO-22-106195</p>	<p>GAO has identified challenges in 4 areas that agencies must overcome to fully realize the benefits of transitioning to cloud services. Specifically, agencies face challenges in (1) Ensuring cybersecurity; (2) Procuring cloud services; (3) Maintaining a skilled workforce; and (4) Tracking costs and savings. This snapshot discusses GAO's work in this area and recommendations that can help agencies with this transition.</p>
	<p>Cybersecurity: Secret Service Has Made Progress Toward Zero Trust Architecture, but Work Remains GAO-23-105466</p>	<p>With the ever-increasing threat of cyberattacks, the Secret Service is adopting a "zero trust" approach to cybersecurity. GAO found that the Secret Service developed a plan to implement a zero trust architecture, but the agency created this plan before federal "zero trust" guidance was issued and has not updated its plan to reflect this guidance. GAO recommended that the Secret Service address this issue and more.</p>
	<p>Cybersecurity: Federal Response to SolarWinds and Microsoft Exchange Incidents GAO-22-104746</p>	<p>GAO describes the federal response to 2 high-profile cybersecurity incidents that affected the U.S. government. Federal agencies worked with each other and industry after these incidents. Agencies received emergency directives on how to respond and more.</p>
	<p>Critical Infrastructure: Actions Needed to Better Secure Internet-Connected Devices GAO-23-105327</p>	<p>GAO found that federal agencies with leadership roles in 3 sectors have taken some steps to manage the cybersecurity risks posed by internet-connected devices and systems. But they have not assessed risks to the sectors as a whole. Without a holistic assessment, the agencies cannot know what additional cybersecurity protections might be needed. GAO made recommendations to address this.</p>
	<p>Critical Infrastructure Protection: Additional Federal Coordination Is Needed to Enhance K-12 Cybersecurity GAO-23-105480</p>	<p>GAO found that three federal agencies assist schools in protecting against cyber threats. But there are no formal channels for how agencies coordinate with each other or with K-12 schools to address cybersecurity risks or incidents. Also, the agencies do not measure or obtain feedback on whether their cybersecurity-related services are effective. GAO made recommendations to improve how agencies coordinate cybersecurity assistance with K-12 schools.</p>
	<p>Ransomware: Federal Agencies Provide Useful Assistance but Can Improve Collaboration GAO-22-104767</p>	<p>GAO found that Homeland Security, FBI, and Secret Service help state, local, and other governments prevent or respond to ransomware attacks on systems like emergency services. Most government entities said they are satisfied with the agencies' prevention and response efforts. But many cited inconsistent communication during attacks as a problem. GAO recommended that the federal agencies address cited issues and follow key practices for better collaboration.</p>
	<p>Privacy: Dedicated Leadership Can Improve Programs and Address Challenges GAO-22-105065</p>	<p>GAO determined that 24 agencies had designated a senior agency official for privacy, as required. However, these officials may have numerous other duties and may not bring a needed focus on privacy. They generally delegated many aspects of privacy programs to less-senior officials. GAO recommended that Congress consider legislation to designate dedicated, senior-level privacy officials. GAO also made more than 60 other recommendations to strengthen agency privacy programs.</p>

Source: GAO, data as of 1/25/2023; images: lovemask/stock.adobe.com. | GAO-23-900493

Our work will continue to assess multiple priorities, such as the execution of the Administration’s recently announced national cybersecurity strategy and the need for sustained leadership to perform effective oversight. In FY 2023 and FY 2024, GAO cybersecurity assessments will include federal efforts to enhance cybersecurity protections in areas such as the implementation of zero-trust architectures, the deployment of sophisticated systems to monitor federal networks for intrusions and other malicious activity, and strategies for leveraging artificial intelligence to enhance cybersecurity and for addressing cyber risks to operational technology.

National Security Enterprise. The U.S. Military is required to deploy its forces and conduct military operations across the globe, potentially at a moment’s notice. The war in Ukraine underscores the potential for threats that challenge the international order and jeopardize global security. GAO’s work has identified significant challenges that have hindered DOD’s preparedness, including those affecting personnel, weapon systems and other equipment, and training. For example, GAO’s work has highlighted significant maintenance and other sustainment challenges leading to numerous military aircraft not meeting mission capable goals.

Figure 4: Examples of Reports on Defense Capabilities



Source: GAO. | GAO-23-900493

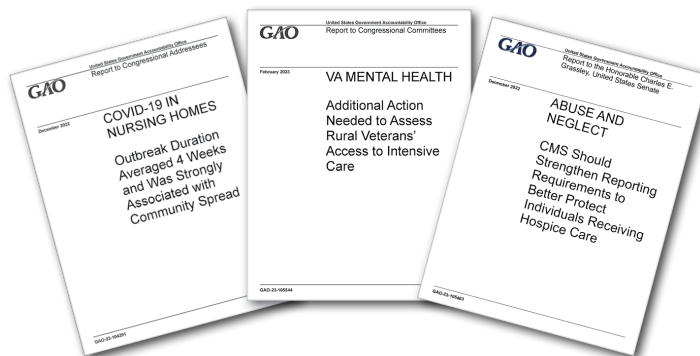
Threats to national security continue to evolve. As part of its work, GAO will expand assessments of individual defense programs and assess the Department of Defense’s (DOD) efforts to facilitate rapid prototyping and fielding of defense capabilities. GAO will also assess DOD’s ability to develop and maintain military forces that are trained and ready to counter emerging threats, the well-being of DOD’s military personnel, the

resilience of infrastructure in the face of climate related matters, and the effectiveness and efficiency of the DOD's organizational structure.

GAO will also continue to assess the billions of dollars DOD spends annually to sustain its weapon systems. Our oversight will include reviewing the Department's ability to maintain aging weapon systems, modernize its repair depots, and ensure the military services can afford the substantial costs to sustain new systems. Spending on national defense comprised about 12 percent of the total federal budget in FY 2022.

Health Care Spending. The health and economic effects of COVID-19 have intensified concerns about the increasing number of people affected by behavioral health conditions—mental health and substance use disorders—and in need of treatment. In March 2022, we found that consumers with coverage for mental health care experience challenges finding in-network providers and in getting approval for some mental health services, limiting their ability to access services. In FY 2023, we will continue to provide information on behavioral health. Ongoing work is looking at the behavioral health services provided at some small, rural hospitals; intensive mental health care provided to rural veterans; and access to mental health care provided to service members separating from active duty.

Figure 5: Examples of Reports on Health Care Challenges



Source: GAO. | GAO-23-900493

We continue to examine health care spending, which accounts for 25 percent of the federal budget and continues to be one of the fastest growing federal expenditures. In FY 2022, we continued to examine the sustainability and integrity of the Medicare and Medicaid programs, which together accounted for over one trillion dollars in expenditures and an

estimated \$127 billion in improper payments in FY 2022. In November 2021, we found that fewer providers in rural or provider shortage areas participate in Medicare alternative payment models.

These models aim to shift from paying providers based on the volume of care provided to the quality of care provided, compared to providers in other areas. We have ongoing and future work looking at the extent to which private equity ownership affects health care markets. We also are currently examining the extent to which rebates—discounts typically paid by manufacturers to drug plans after a pharmacy dispenses a drug—affect the drugs covered by Medicare drug plan sponsors and the implications, if any, there may be for federal drug spending.

In addition to supporting work in these critical areas, the FY 2024 budget request would support internal investments needed to enable auditors to better serve the Congress. These internal investments include the continued implementation of GAO's multi-year IT modernization effort and needed infrastructure improvements.

- **IT modernization.** The FY 2024 budget request builds upon initial investments in GAO's multi-year IT modernization effort. This effort prioritizes the 21st century tools and technologies needed to support our workforce and achieve our mission, including enhanced cloud data management and storage solutions. The modernization effort also includes IT security upgrades to combat the ever-growing cybersecurity threats toward U.S. assets in alignment with leading practices and standards.
- **Infrastructure improvements.** The budget request continues support for long deferred infrastructure maintenance needs, totaling about \$75 million, which include replacing the roof of GAO's headquarter building. The roof has reached the end of its life expectancy. The request would also allow us to start work related to installing new window blast protection at GAO Headquarters. Design work on these and other critical projects began in FY 2023. GAO continuously seeks opportunities to improve our effectiveness and operate in a more efficient and sustainable manner across all of our infrastructure operations, including actively seeking opportunities to increase our leasable space in headquarters to help offset the costs of deferred infrastructure maintenance.

Highlights from FY 2022 and Recent Results

GAO continued to demonstrate its value in FY 2022. As shown in figure 6, GAO delivered \$55.6 billion in financial benefits and over 1,260 in program and operational benefits in FY 2022. GAO issued 535 reports, over 450 legal decisions, and made 1,255 recommendations to improve government operations.

Figure 6: GAO's Performance in FY22



Source: GAO. | GAO-23-900493

The Congress continues to use GAO's work to inform its legislative decisions. For example, recently enacted legislation, such as the Infrastructure Investment and Jobs Act, Inflation Reduction Act of 2022, and SECURE 2.0 Act of 2022 included more than 50 directives for agencies to implement our recommendations or take actions based on GAO recommendations or findings. In addition, the National Defense Authorization Act for 2023 contained more than 20 actions based on GAO work. Also recently, the Consolidated Appropriations Act for FY 2023 included 40 directives that would spur agency action on GAO's recommendations. For example, the Act:

- directed the DOT to develop a national aviation-preparedness plan for communicable diseases;
- required the Bureau of Indian Affairs to report on its actions to improve student absence data tracking and analysis;
- directed the Internal Revenue Service to report on steps the IRS has taken to address outstanding GAO and Inspector General for Tax Administration recommendations regarding security flaws and what steps have been taken to come into compliance with Federal Information Security Modernization Act and other security requirements; and

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- directed the Department of Housing and Urban Development (HUD) to address remaining GAO recommendations related to lead paint in housing, including to improve lead grant program and compliance monitoring processes, request authority to amend its lead inspection standard in the voucher program, and take additional steps to report on progress.

Agencies also act on our recommendations to improve their programs and operations. Agencies typically implement 77 percent or more of our recommendations within four years. Examples of the financial and nonfinancial impact from our implemented recommendations from FY 2022 include the following.

- **Reducing Costs by Leveraging Federal Buying Power.** OMB's category management initiative is intended to help federal agencies purchase goods and services through targeted contracts to leverage the government's buying power and save taxpayer dollars. However, we found in October 2016 that agencies were at risk of not using these contracts as much as they could. We recommended OMB set agency-specific targets for using these contracts and publicly report on performance. Starting in 2017, OMB took action and agencies began to better leverage category management contracts. In 2022, we determined that our recommendations helped save about \$36 billion between 2017 and 2020.
- **Improving the Stewardship of the Paycheck Protection Program.** SBA implemented the PPP in April 2020 to provide forgivable loans to small businesses adversely affected by COVID-19. However, the program had limited safeguards. In June 2020, we recommended SBA develop and implement plans to ensure program funds are being used properly. In response, SBA determined that some PPP borrowers were not eligible for loan forgiveness because the borrowers were ineligible for the loan amounts provided in 2020 or used the PPP loan for unauthorized purposes. This resulted in over \$3 billion in loans not being forgiven.
- **Using New Algorithms to Help DEA Analyze Drug Data.** The DEA collects industry-reported data on the sale and purchase of controlled substances and prescription drugs, including opioids. This data helps DEA investigate the illegal sale or distribution of drugs. In January 2020, we found that DEA's systems did not provide real-time analysis, but DEA could use computer algorithms to proactively identify patterns and trends in drug distribution. We recommended DEA develop and implement such algorithms. In response, DEA began

using a new data system in July 2021 that could help proactively identify suspicious activities that warrant investigation.

- **Improving IRS’s Financial Operations and Information Systems.** As part of our audit of IRS’s financial statements, we reported in May 2022 that IRS had implemented corrective actions to address 68 of 120 recommendations from our prior audits. These corrective actions focused on information system controls—such as who has access and ensuring that systems work as intended—and safeguarding assets (including taxpayer receipts, property, and equipment). These actions will help improve IRS’s financial operations and protect taxpayer data from potential loss, theft, and inappropriate disclosure.
- **Improving How CMS Pays Hospitals for Uncompensated Care.** CMS reimburses hospitals for their uncompensated care costs, including the costs of treating uninsured patients. In June 2016, we reported that CMS had not aligned Medicare uncompensated care payments with hospitals’ actual uncompensated care costs—and was therefore likely overpaying some hospitals and underpaying others. We recommended that CMS base Medicare uncompensated costs on actual instead of estimated care costs. CMS began doing so in FY 2018, which helped redirect \$2.1 billion towards hospitals with higher actual uncompensated care costs in FY 2022.

We also continued to make an impact with key bodies of work, including our COVID-19, High Risk, and fragmentation, overlap and duplication reporting.

- **COVID-19 Response and Recovery.** We continued to oversee and evaluate the \$4.6 trillion in spending in response to COVID-19. This includes issuing comprehensive COVID-19 oversight reports and targeted COVID-19-related reports, testimonies, and science and technology spotlights in areas such as contact tracing for air travel; the risk of improper payments associated with the distribution of emergency relief funds; and long COVID. To date, we have issued 10 comprehensive reports and over 130 reports that focus on specific topics. These products included over 350 recommendations and 18 matters for congressional consideration. About 40 percent of these recommendations have been fully or partially addressed.
- **High-Risk.** The High-Risk List focuses attention on government operations that are vulnerable to fraud, waste, abuse, and mismanagement or need transformation. We issue this report at the beginning of each Congress, and our FY 2023 report will be released next month. The FY 2021 report yielded \$48 billion in financial benefits, 510 other benefits, 169 reports, and 30 testimonies. Federal

financial benefits due to progress in addressing high-risk areas during the past 17 years (FYs 2006-2022) totaled about \$675 billion.

- **Fragmentation, overlap, and duplication.** In 2022, we issued our 12th annual report, which identified 94 new actions in 21 new areas (and nine existing areas) that could reduce fragmentation, overlap, and duplication, or provide other cost savings and opportunities to enhance revenue across the federal government. From 2011-2022, we identified 1,299 such actions. As of March 2022, the Congress and executive branch agencies had fully addressed 724 of these actions and partially addressed 240, yielding about \$552 billion in financial benefits. We will issue our next annual report this summer.

Each year GAO's work results in tangible benefits to the American taxpayer. Our work is not complete once we issue our report; through regular follow-ups and discussions, we work to encourage and educate agencies about the merits of implementing our recommendations. Through these efforts, we are able to achieve a high implementation rate of our recommendations and thus improve government performance and accountability. While our work has resulted in significant cost savings, we estimate that an additional tens of billions of dollars could be achieved if agencies and Congress addressed more of our recommendations. The 2023 Joint Explanatory Statement directed us to issue a report estimating the cost savings that could be achieved if agencies acted on GAO's recommendations; we will issue this report in June 2023.

In addition to these results, GAO also routinely provides technical assistance to our congressional clients. Technical assistance is quick turnaround, informal assistance that we provide Member offices and committees. This type of work includes briefings on prior GAO work, data analysis, white papers, or comments on legislative bills. We documented over 200 instances of technical assistance last year. Because this is popular and growing segment of our work, we are piloting a process to systematically document the volume and type of assistance that we provide. GAO's website includes information on obtaining technical assistance, and includes a ["Find an Expert"](#) search tool that allows congressional staff to look up senior GAO staff by area of expertise.

Concluding Remarks

In closing, GAO has had another year of strong performance in serving the Congress. We have a proven track record of delivering a sound return on investment.

We value the opportunity to provide Congress and the Nation with timely and insightful analysis on the quickly-evolving domestic and international

challenges facing our country. Our FY 2024 budget request allows GAO to continue adapting to the rapidly changing requirements of today. This will ensure that GAO is well-positioned and prepared to address both emerging and long-term priorities of the Congress.

Chairman Amodei, Ranking Member Espaillat, and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to respond to any questions.

Contacts

If you or your staff have any questions about this testimony, please contact A. Nicole Clowers, Managing Director, Congressional Relations at (202) 512-4400 or clowersa@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

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