

**Dan Lips, Head of Policy, Foundation for American Innovation
Written Testimony for U.S. House of Representatives,
Committee on Administration, Modernization Subcommittee
“Legislative Branch Advancement: GAO Modernization”**

Chairwoman Bice, Ranking Member Kilmer, and Members of the Subcommittee:

Thank you for the opportunity to testify. My name is Dan Lips. I am Head of Policy at the Foundation for American Innovation (FAI), a think tank focused on developing technology, talent, and ideas that support a better, freer, and more abundant future. From 2011 to 2019, I served on the staff of the Senate Homeland Security and Governmental Affairs Committee, including as Homeland Security Director and Policy Director. In my work as a Senate staffer, including working for former Senator Tom Coburn, I saw firsthand how GAO’s critical work informs the congressional oversight and legislative process to make government work better.

In my testimony, I will discuss the value that the Government Accountability Office provides Congress, how nonpartisan oversight can advance congressional modernization, and ways that Congress can strengthen and leverage GAO to meet the nation’s fiscal and governance challenges.

Appreciating GAO’s Return on Investment for Congress and American Taxpayers

For more than a century, GAO has worked to ensure that the American people’s tax dollars are spent appropriately.¹ In the twenty-first century, GAO’s mission has expanded to ensuring that the government is accountable to Congress and the American people through its performance audits, identifying significant and emerging problems across the government, and improving congressional science and technology capacity and congressional regulatory oversight capacity. Today, Congress and the Modernization Subcommittee have an opportunity to further strengthen GAO and increase its impact to meet the nation’s fiscal and governance challenges.

¹ Robert R. Trask, *Defender of the Public Interest: The General Accounting Office, 1921-1966*, General Accounting Office, Washington, DC, 1996.

Over the past quarter century, GAO has provided significant value to Congress by successfully executing this expanded mission. Since 1999, GAO has been reporting its annual return on investment for American taxpayers by estimating the financial benefits, including government savings, yielded from its work. According to the FY2022 performance and accountability report, since 2002, GAO's work "has resulted in \$1.31 trillion in financial benefits and over 27,000 program and operational benefits that have helped change laws, improve public safety and other services, and promote better management throughout the government."² During this period, GAO received \$11.7 billion from Congress.³ This means that GAO's work has yielded more than \$100 dollars in financial benefits for each dollar provided by Congress. Beyond these financial accomplishments, GAO's valuable work has helped Congress improve government performance and strengthen national security by identifying high-risk areas and other critical challenges that must be addressed through oversight and legislation.

For these reasons, I have written publicly since 2020 urging Congress to recognize GAO's value and return on investment and to increase appropriations for the watchdog agency. In a 2020 report, I analyzed GAO's publicly reported estimates of financial benefits to improve public understanding of how the watchdog's work helps Congress and improves governance.⁴ In a 2021 report, I analyzed nonpublic data from GAO detailing all of its financial accomplishments (including those that were not detailed in its annual reports) to improve public understanding of what areas of GAO's work have resulted in the most financial benefits.⁵ In addition, I have submitted public witness testimony to Congressional Appropriations committees for each of the past four fiscal years encouraging Congress to provide additional resources to GAO to leverage the watchdog agency's valuable work and increase its return on investment.⁶

² U.S. Government Accountability Office, GAO-23-900398, *Performances and Accountability Report Fiscal Year 2022*, 2022, <https://www.gao.gov/assets/gao-23-900398.pdf>.

³ Ibid.

⁴ Dan Lips, *Leveraging the U.S. Government Accountability Office's Nonpartisan Oversight: An Analysis of 21 Years of Annual Performance and Accountability Reports*, Lincoln Network, 2020, https://lincolnpolicy.org/wp-content/uploads/2020/10/GAO_Paper_Edited2-1.pdf.

⁵ Dan Lips, *Reviewing the Data: How GAO Saves Taxpayer Dollars*, Lincoln Network, 2021, <https://www.thefai.org/posts/reviewing-the-data-how-gao-saves-taxpayer-dollars>.

⁶ Dan Lips, Testimony Before the U.S. House of Representatives, Legislative Branch Appropriations Subcommittee, March 4, 2020, <https://lincolnpolicy.org/wp-content/uploads/2020/03/HHRG-116-AP24-Wstate-LipsD-20200304.pdf>; Dan Lips,

5,000 Open Recommendations for Improving the Federal Government

While Congress should celebrate GAO's financial accomplishments over the past 20 years, lawmakers also have a responsibility to consider the potential savings that are left on the table by federal agencies failing to answer GAO's recommendations in a timely manner.

In his most recent performance and accountability report, the Comptroller General reported that 77 percent of GAO's recommendations were implemented within four years, or slightly below GAO's target of 80 percent.⁷ Just half of GAO's recommendations made in FY2018 were implemented within two years. This four-year implementation rate is important, because as GAO explains, "[o]ur experience indicates that recommendations remaining open after a 4-year [*sic*] period are less likely to be implemented in subsequent years." In other words, one out of five of GAO's recommendations are not implemented within four years and may never be acted upon by Congress and federal agencies.⁸

As of September 19th, GAO reports that there are 5,001 open recommendations, including 525 "priority recommendations."⁹ More than 1,300 of these open recommendations were made more than four years ago.¹⁰ More than 100 were made more than a decade ago.¹¹ According to GAO's own assessment, these recommendations are "less likely" to be implemented and may in fact never be acted upon by Congress.

Public Witness Testimony, U.S. House of Representatives, Legislative Branch Appropriations Subcommittee, <https://www.thefai.org/posts/testimony-of-dan-lips-to-the-us-house-of-representatives-legislative-branch-appropriations>, May 13, 2021; Dan Lips, Public Witness Testimony, U.S. House of Representatives, Legislative Branch Appropriations Subcommittee, May 19, 2022, <https://www.thefai.org/posts/testimony-of-dan-lips-to-the-us-house-of-representatives-legislative-branch-appropriations-subcommittee>; Dan Lips, Public Witness Testimony, U.S. House of Representatives, Legislative Branch Appropriations Subcommittee, March 17, 2023, <https://www.thefai.org/posts/testimony-to-u-s-house-of-representatives-committee-on-appropriations-subcommittee-on>.

⁷ GAO, *Performances and Accountability Report Fiscal Year 2022*.

⁸ As Congress conducts oversight of GAO and considers a potential reauthorization, lawmakers should consider the role that the implementation rate and related metrics play in GAO's internal performance reviews.

⁹ GAO, "Recommendations Database," <https://www.gao.gov/reports-testimonies/recommendations-database>.

¹⁰ My analysis of open recommendations listed on a spreadsheet download from GAO's recommendation database.

¹¹ Ibid.

Modernization Committee Recommendations and Appropriations Committee Report Language

With the \$33 trillion national debt and Congressional Budget Office projecting large deficits over the next decade, Congress has a responsibility to consider the cost of the government not acting upon GAO's recommendations in a timely manner. The American people should be encouraged by recent bipartisan actions by Congress, including the Select Committee on the Modernization of Congress, to focus more attention on GAO's open recommendations, the potential for additional cost savings if recommendations were closed in a timely manner, and legislative and oversight opportunities to enact GAO recommendations. For example, in 2019, Congress passed a law, the GAO-IG Act, which requires federal agencies to include information about open GAO and Inspector General recommendations in their annual congressional budget justification reports.¹²

During the 117th Congress, the Select Modernization Committee passed two recommendations, later passed into law, focused on improving the way that Congress works with GAO to address open, unimplemented recommendations. The first recommendation stated, "GAO should report annually on the estimated cost savings of its unimplemented recommendations."¹³ The second recommendation states, "GAO should annually report to Congress on legislative options to address open priority recommendations."¹⁴

Following the passage of these recommendations, Select Committee Chair Derek Kilmer (D-WA) and Rep. William Timmons (R-SC) introduced the Improving Government for America's Taxpayers Act.¹⁵ Language based on this bipartisan bill was included in the FY2023 National Defense Authorization Act that became law in December 2023.¹⁶ In addition to consolidating "matters for Congressional Consideration from the Government Accountability Office" in one report, the law requires GAO to "identify any additional congressional oversight actions that can help agencies implement" unimplemented

¹² Public Law 115-414—Jan. 3, 2019, <https://www.congress.gov/115/plaws/publ414/PLAW-115publ414.pdf>.

¹³ Chair Derek Kilmer and Vice Chair William Timmons, *Final Report, Select Committee on the Modernization of Congress*, December 2022, <https://www.govinfo.gov/content/pkg/GPO-CRPT-117hrpt646/pdf/GPO-CRPT-117hrpt646.pdf>.

¹⁴ *Ibid.*

¹⁵ H.R. 7331, The Improving Government for America's Taxpayers Act, 117th Congress, <https://www.congress.gov/bill/117th-congress/house-bill/7331/text>.

¹⁶ Pub. Law 117-263.

priority recommendations and “publish any known costs of unimplemented priority recommendations, if applicable.”¹⁷

In addition, the Congressional Appropriations Committee included language in the text accompanying the FY2023 omnibus appropriations bill requiring a separate report focusing on the cost savings that could be achieved if unimplemented GAO recommendations were closed:

Within 180 days of enactment of this Act, GAO shall publish on its website and provide to the Committees on Appropriations, the Senate Homeland Security and Governmental Affairs Committee, and the House Committee on Oversight and Reform a report estimating the cost savings that could be achieved if agencies acted on GAO's recommendations organized by agency.¹⁸

Together, the Improving Government for America’s Taxpayers Act and the appropriations accompanying text language demonstrate Congress’s bipartisan interest in working with GAO to improve government efficiency and achieve taxpayer savings by closing GAO’s open recommendations.

GAO’s Reports in Response to the NDAA and Appropriations Report Language

In 2023, GAO released reports answering these new congressional mandates established by the 117th Congress. In June, GAO released a report answering the appropriations report language estimating the potential cost savings that could be achieved if all open recommendations were closed. The report stated:

Implementing all of those recommendations and matters could produce \$92 billion to \$182 billion of measurable, future financial benefits, according to a simulation model GAO developed. Eighty percent of the total simulated financial benefits fell in this range. The model produced a median simulated value of approximately \$131 billion.¹⁹

¹⁷ Ibid.

¹⁸ “Division I—Legislative Branch Appropriations Act, 2023,” Senate Committee on Appropriations, 117th Congress, <https://www.appropriations.senate.gov/imo/media/doc/Division%20I%20-%20Leg%20Statement%20FY23.pdf>.

¹⁹ U.S. Government Accountability Office, GAO-23-106598, *Potential Financial Benefits: Estimating the Value of Implementing Open GAO Recommendations*, 2023,

However, GAO’s report included qualifying language to suggest that this estimate, which was based on a statistical analysis, was just a ballpark estimate that likely understates the potential savings that could be achieved. GAO gave several reasons for why it is difficult to make precise estimates, including that a lack of data and other information “make it difficult or impossible to measure financial benefits.”²⁰ Importantly, GAO noted that this does not include specific cost savings estimates that could be achieved if specific recommendations were closed, such as a recommendation for equalizing Medicare payment rates that could achieve \$141 billion, according to CBO.

In July, GAO issued a report in response to the Improving Government for American Taxpayers Act. The report answered the congressional mandate by providing a consolidated list of open matters for Congressional Consideration.²¹ The report noted that 281 such matters remain open, and pointed out that 37 percent of these recommendations have been open for less than four years.²² The report highlighted examples of open recommendations and matters for congressional consideration that could achieve substantial cost savings; however, it did not provide a breakdown of potential cost savings that could be achieved by implementing priority recommendations.²³

These new reports provide valuable information for Congress. However, in my opinion, they do not sufficiently answer the implicit question raised by Congress in the Improving Government for America’s Taxpayers Act or the appropriations report language. While detailing the potential cost savings that could be achieved if all of the 525 open priority recommendations or nearly 5,000 open recommendations may be a difficult or even impossible task, GAO could have provided list of unimplemented recommendations with explanations or whether such an estimate could be made and, if so, what potential savings could be achieved. Such an estimate, even if made with uncertainty and qualifications, could help Congress improve government efficiency and increase GAO’s return on investment by prioritizing legislative and oversight actions.

<https://www.gao.gov/products/gao-23-106598>.

²⁰ Ibid.

²¹ U.S. Government Accountability Office, GAO-23-106837, *Open Matters for Congressional Consideration: Action Can Produce Billions of Dollars in Financial and Other Benefits for the Nation*, 2023, <https://www.gao.gov/assets/gao-23-106837.pdf>.

²² Ibid.

²³ Ibid.

The 2010 Coburn Amendment and Annual Duplication Reports as a Model

There is a precedent for a congressional mandate for annual GAO reporting achieving substantial taxpayer savings. In 2010, former Senator Tom Coburn (my boss from 2011 through 2015) passed an amendment to legislation increasing the federal debt limit by a vote of 94-0.²⁴ The amendment required GAO to conduct routine investigation to:

identify programs, agencies, offices, and initiatives with duplicative goals and activities within Departments and governmentwide and report annually to Congress on the findings, including the cost of such duplication and with recommendations for consolidation and elimination to reduce duplication identifying specific rescissions.²⁵

In June, the Comptroller General released the 13th annual report responding to this Congressional mandate. The report explained that “Congressional and agency action in these areas has yielded about \$600 billion in cost savings and revenue increases,” to date and that addressing open matters and recommendations “could save tens of billions more dollars and improve government services.”²⁶

Comptroller General Gene Dodaro has described Senator Coburn’s amendment and the congressional mandate it established as “the gift that keeps on giving, and it will for a long time.”²⁷ The \$600 billion in estimated financial benefits associated with the annual duplication report accounts for nearly half of GAO’s self-reported financial benefits achieved since 2012. However, Congress should be aware that, at the time, GAO was reluctant to do this project, according to former staff for Senator Coburn involved with discussions with GAO at the time, which is why he offered the amendment to establish the reporting requirement in law. In this way, Senator Coburn’s 2010 amendment and these

²⁴ Dr. Coburn’s Statement on New GAO Duplication Report, Committee on Homeland Security and Governmental Affairs, U.S. Senate, April 8, 2014,

<https://www.hsgac.senate.gov/media/reps/dr-coburns-statement-on-new-gao-duplication-report/>.

²⁵ Congressional Record—Senate, January 22, 2010,

<https://www.congress.gov/111/crec/2010/01/22/CREC-2010-01-22-pt1-PgS156-2.pdf>.

²⁶ U.S. Government Accountability Office, GAO-23-106089, *2023 Annual Report:*

Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions of Dollars in Financial Benefits, <https://www.gao.gov/products/gao-23-106089>.

²⁷ Stephen Dinan, “Former Sen. Tom Coburn, Washington’s Top Waste Watcher, Dead at 72,” *Washington Times*, March 28, 2020,

<https://www.washingtontimes.com/news/2020/mar/28/former-sen-tom-coburn-dies-washingtons-top-wastewa/>.

mandated reports provide an example for current lawmakers about both the opportunity to achieve cost savings through mandated reporting and the need to directly mandate GAO's work through law to ensure that their work aligns with Congressional objectives.

Recommendations for Congress to Strengthen GAO and Advance Congressional Modernization

The subcommittee and Congress have significant opportunities to strengthen GAO, improve government efficiency and achieve taxpayer savings, and to advance the broader objective of modernizing Congress. I respectfully ask the subcommittee and Congress to consider the following recommendations:

1. Increase funding for the Government Accountability Office

GAO requested \$860 million in funding for FY2024, or an increase of approximately \$69 million.²⁸ Recognizing that Congress faces a challenging fiscal and macroeconomic environment, I respectfully urge Congress to provide GAO with these resources. Based on GAO's track record of achieving substantial savings for each dollar provided by Congress, Congress should be confident that fully funding the Comptroller General's request would be a win for American taxpayers. In addition, Congress should consider directing GAO to use additional resources to upgrade its information technology systems to improve the efficiency of its work and to hire additional economists (to assist with the development of estimates for potential cost savings of unimplemented recommendations or to address potential congressional regulatory oversight needs).

2. Extend and strengthen the annual reporting requirements to identify potential cost savings that could be achieved if federal agencies answered open recommendations and priority recommendations.

The 117th Congress prudently established a new reporting requirement through the Improving Government for American Taxpayers Act and the accompanying text of the omnibus. Moving forward, Congress should extend and strengthen these reporting requirements, including by directing GAO to provide estimates of potential cost savings for

²⁸ Gene L. Dodaro, Comptroller General, Fiscal Year 2024 Budget Request Government Accountability Office, Testimony Before the Subcommittee on the Legislative Branch, Committee on Appropriations, U.S. Senate, March 15, 2023, <https://www.gao.gov/assets/gao-23-900494.pdf>.

each open recommendation (and priority recommendations). Since GAO reports that estimating potential cost savings may be difficult or impossible in many cases, Congress could instruct GAO to inform Congress if an estimate is not possible. However, establishing a detailed list of potential cost savings for each recommendation could provide Congress with ways to prioritize legislative and oversight actions.

3. Require GAO to set target completion dates for new recommendations to improve the timeliness of implementation.

In a 2015 report, Deloitte experts analyzed 26 years of GAO reports and identified opportunities to increase GAO's impact. They recommended that GAO set "target completion dates for implementing each recommendation and then making real-time data available to the public showing how long it is taking each agency to implement GAO recommendations."²⁹ The experts reasoned that setting deadlines "could motivate agencies to more quickly address GAO recommendations and realize the benefits they deliver to the public." Congress could heed this recommendation to require target completion dates for new recommendations and help GAO increase its four-year implementation rate. In addition, Congress could consider ways to create incentives for federal agencies to enact GAO recommendations in a timely manner, including through the appropriations process.

4. Collaborate with GAO on increased oversight of federal improper payments to improve payment integrity.

Congress has an opportunity to achieve substantial taxpayer savings by collaborating with GAO to reduce improper payments. In March, GAO reported that federal agencies made an estimated \$247 billion in improper payments in FY2022 with overpayments accounting for \$200 billion of this amount.³⁰ GAO's report noted that this was likely an underestimate, since this total does not include estimates for certain "risky" programs.³¹ A 2022 House Appropriations report accompanying the funding bill for the legislative branch required

²⁹ Daniel Byler, Steve Berman, William D. Eggers, "Accountability Quantified: What 26 Years of GAO Reports Can Teach Us about Government Management," Deloitte, 2015, <https://www2.deloitte.com/us/en/insights/topics/analytics/text-analytics-and-gao-reports.html>.

³⁰ U.S. Government Accountability Office, GAO-23-106285, *Improper Payments: Fiscal Year 2022 Estimates and Opportunities for Improvement*, 2023, <https://www.gao.gov/products/gao-23-106285>.

³¹ Ibid.

GAO to conduct quarterly reporting on improper payments, which is a prudent step to increase oversight of this costly area of government waste. Looking forward, Congress should collaborate with GAO to do additional oversight in this area. For example, House leadership could urge Committees to hold annual hearings examining improper payments, including GAO experts to testify, to focus federal agency leadership attention on preventing misspending.

5. Support GAO’s efforts to strengthen congressional science and technology capacity and harness the power of new technologies to modernize Congressional oversight.

With congressional support, GAO has taken productive steps to increase congressional science and technology capacity, including by establishing the Science, Technology Assessment, and Analytics (STAA) team to assume the mission of the former Office of Technology Assessment.³² Since 2019, this office has been a valuable source of S&T advice to Congress. However, as one of many mission teams in GAO, it has not had the necessary bureaucratic independence or flexibility to flourish.³³ Consistent with the Select Modernization Committee’s recommendation, Congress should separately “authorize STAA” and bring in more structural features of OTA.³⁴ In addition to providing foresight and helping Congress understand complicated science and technology developments, Congress has an opportunity to leverage STAA’s data science capabilities to improve the timeliness and impact of its audits of key areas, including federal improper payments. This can include transitioning to real-time auditing, including by drawing best practices from the private sector.

6. Establish and fund a new mission team within GAO to strengthen congressional regulatory oversight capacity.

One of the Select Committee’s recommendations was to “identify how increased regulatory and legal resources could help strengthen the role of the legislative branch,” which the

³² Importantly, STAA also houses the Innovation Lab and other functions.

³³ While it has produced quality work, most of its reports have been undertaken on the Comptroller General’s authority rather than originating with Members. Under the weight of an audit-focused bureaucracy, it has struggled to directly engage with Members and their staff.

³⁴ See, e.g., the proposal from Reps. Rush Holt and Amo Houghton for an OTA-like office in GAO: <https://github.com/zachgraves/futurecongress/blob/master/CSTA%20GAO%20revision%202004%20w:o%20mark%20up.pdf>.

Committee advanced by requiring GAO review the matter in 2021.³⁵ In 2022 alone, agencies issued more than 3,000 administrative publications that could properly be thought of as regulatory, including 265 “significant rules,” with an estimated cost of over \$117 billion in total.³⁶ Estimates of the cost of regulation approach \$2 trillion.³⁷ Congress has not established the necessary legislative powers, expertise, and staff resources to adequately oversee federal regulations. Several scholars have recommended a Congressional Regulation Office modeled after CBO. An incremental approach for Congress would be to establish a regulatory review mission team within GAO to provide nonpartisan cost-estimates of federal regulations, building on GAO’s existing authorities under the Congressional Review Act.³⁸ In 2000, Congress passed a law, the Truth in Regulating Act, that established a three-year pilot project to require GAO to require GAO to report to Congress on economically significant rules proposed by federal agencies.³⁹ However, this pilot project was not funded and Congress did not exercise this authority.⁴⁰ Nevertheless, it provides a precedent as Congress explores new ways to improve its ability to oversee federal regulations and the administrative state.

Conclusion

To close, thank you again for the opportunity to testify. The Select Committee and the new Modernization Subcommittee are providing historic, bipartisan leadership to make Congress and the legislative branch work better for the American people. The Government Accountability Office already provides a valuable service. But Congress should consider ways to make GAO work more effectively.

To address these and other recommendations, Congress should consider reauthorizing the Government Accountability Office, consistent with the Modernization Committee’s

³⁵ Chair Derek Kilmer and Vice Chair William Timmons, Final Report, Select Committee on the Modernization of Congress, December 2022,

<https://www.govinfo.gov/content/pkg/GPO-CRPT-117hrpt646/pdf/GPO-CRPT-117hrpt646.pdf>.

³⁶ Satya Thallam and Dan Lips, “Empowering Regulatory Oversight: How Congress Can Hold the Administrative State Accountable,” Foundation for American Innovation, 2023,

<https://www.thefai.org/posts/empowering-regulatory-oversight-how-congress-can-hold-the-administrative-state-accountable>.

³⁷ Ibid.

³⁸ “Congressional Review Act,” U.S. Government Accountability Office, accessed April 6, 2023, <https://www.gao.gov/legal/other-legal-work/congressional-review-act>.

³⁹ Pub. Law 106-312 (2000).

⁴⁰ David M. Walker, “Letter to Tom Davis,” June 7, 2006, Government Accountability Office, <https://www.gao.gov/assets/b-302705.pdf>.

recommendation to reauthorize all Congressional support agencies. Reauthorizing GAO would allow Congress and the watchdog agencies to work together to ensure that GAO has the necessary authorities, including access to information and electronic records, to answer Congress's requests and to ensure that GAO's work aligns with congressional priorities.