

Statement of Emily W. Murphy

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Introduction

Good morning Chairman Graves, Ranking Member Quigley, and Members of the Committee. My name is Emily Murphy and I am the Administrator of the U.S. General Services Administration (GSA). Thank you for your invitation to testify on the President's fiscal year (FY) 2019 Budget Request for GSA. Our mission is delivering value and savings in real estate, acquisition, technology, and other mission-support services across Government.

First, I would like to thank the Committee for the funding provided in FY 2018. The monies appropriated by this committee will allow GSA to undertake important projects that will improve the security of our nation's land ports, facilitate critical repairs to our public buildings, enable agencies to modernize their antiquated IT systems, and enhance the effectiveness and efficiency of government through the implementation of shared services and smarter acquisition strategies.

Building on our work in FY 2018, I would like to highlight the important investments GSA is requesting as part of the President's FY 2019 budget. This budget request will directly support the Administration's goals of investing in our Federal infrastructure, improving information technology and cybersecurity, and delivering a more responsive government to the American people.

Investing in Federal Infrastructure

Support for GSA's Real Property Portfolio: Our nation's public buildings serve a critical role in helping agencies conduct their missions. Our buildings house over 100 agencies across 422 bureaus, encompassing 371 million rentable square feet. From U.S. Courthouses, to Land Ports of Entry, to local Social Security offices, for many American citizens, these buildings represent the Federal government's presence in their communities in the most tangible way.

GSA has a duty to maintain these Public Buildings and ensure that they meet the standards of the 21st century. Unfortunately, we have an immediate backlog of over \$1.4 billion of repairs that need to be done. With the support of this Committee, we have an opportunity to change

this. For fiscal year 2019, the President's Budget Request is zero net budget authority (spending equal to rent collections) for the Federal Buildings Fund.

This funding level will allow GSA to undertake important new projects and conduct critical repairs to our public buildings. Within that amount, GSA is requesting a total of \$2.2 billion in Construction and Acquisition and Repairs and Alterations funding to make much-needed investments in GSA's owned inventory. Numerous studies¹ have identified that housing Federal agencies in owned space provides many efficiencies which benefit the American people. For example, the FY 2019 request includes \$768 million to purchase the leased facility that houses the Department of Transportation Headquarters operations. This will allow GSA to purchase the 1.3 million rentable square foot facility at a five percent discount from fair market value--fulfilling the Department of Transportation's Headquarters requirement and resulting in lease cost avoidance of \$49 million per year.

To enhance border security and promote lawful trade and travel, and ensure that the facility meets the mission needs of our partner Federal Inspection Agencies, GSA's request also proposes \$275.9 million for Phase II of the two phase project at the Land Port of Entry facility in Calexico, CA.

To support a more effective capital planning process for high cost federally-owned civilian capital assets going forward, the Administration proposes a new fund, the Federal Capital Revolving Fund, as part of its infrastructure initiative. Using a model that is similar to the capital budgets used by private companies and State and local governments, the Fund will cover the upfront costs of the project and agencies will pay the Fund back in installments. For FY 2019, GSA is requesting \$200 million for the first repayment to the Federal Capital Revolving Fund for the Department of Justice Federal Bureau of Investigations (FBI) Headquarters modernization project, which is critical to ensure the FBI has a headquarters facility to meet their 21st century law enforcement mission.

To better utilize space and reduce rental costs, GSA is requesting \$70 million for the Consolidation special emphasis program. Since its inception in FY 2014, Congress has appropriated \$283 million for the Consolidation program. These appropriations have funded 78 Consolidation projects which, when complete, will result in an annual lease cost avoidance of \$132 million, a space reduction of almost 1.7 million square feet, and reduced agency rent by \$66 million annually. In other words, this investment pays for itself in two years and then saves taxpayers \$132 million a year thereafter.

Real Property Reform Implementation: GSA is also requesting \$31 million to assist agencies that are not able to take advantage of opportunities to improve the efficiency of their real property inventory because they lack the funds to make the necessary upfront investments. This request will provide funding for the Asset Proceeds and Space Management Fund (APSMF) to implement the recommendations of the Public Buildings Reform Board established in the Federal Asset Sales and Transfers Act (FASTA) and funded in FY 2018. This Board of private

¹ See Government Accountability Office (GAO) reports Greater Transparency and Strategic Focus Needed for High Value GSA Leases (GAO-13-744) and Federal Property: GSA Could Decrease Leasing Costs by Encouraging Competition and Reducing Unneeded Fees (GAO-16-188).

sector real estate experts will review agency proposals to consolidate or repurpose facilities or dispose of unneeded assets and select proposals to receive funding through the APSMF.

Disposing of Unneeded Assets: To improve the utilization of real property assets and dispose of surplus assets in a timely manner, GSA requests \$17.5 million for the Real Property Utilization and Disposal Office within the \$49.4 million request for the Operating Expenses Account. GSA anticipates an increase in workload as ongoing agency reform efforts throughout the Federal Government will likely result in a greater number of properties declared excess or surplus.

Improving Information Technology and Cybersecurity

The Federal government spends nearly \$80 billion annually on IT, but most of that money, approximately 70 percent, is spent on operations and maintenance of existing systems², leaving little funding for investments in improving the IT infrastructure. Often, agencies face challenges in managing their IT portfolios and in implementing best practices for citizen-facing applications. GSA's FY 2019 President's Budget supports initiatives to address these challenges.

Technology Modernization Fund: In conjunction with the Modernizing Government Technology Act, GSA is requesting \$210 million for the Technology Modernization Fund (TMF) to retire and replace antiquated legacy IT systems that pose security risks or are not cost-effective. The TMF provides a central mechanism to transition these legacy systems to more secure and efficient IT platforms and infrastructure, improving the management and oversight of resources dedicated to IT modernization. The TMF is an important first step in changing the way the Federal government manages its IT portfolio and will enhance agencies' ability to protect sensitive data, reduce costs, and deliver services to the public.

Government-wide IT Management: As part of the \$66 million request for the Office of Government-wide Policy, GSA is requesting \$20.5 million for programs to support government-wide management of IT reporting, including \$3.5 million to assume management of the Federal IT Dashboard. As part of this request, GSA will establish a new program management office for the government-wide implementation of Technology Business Management principles, a private sector best practice that will allow agencies to be better stewards of federal dollars by quantifying the cost, quality and value of their investments in technology.

Effective, Secure Citizen-Facing Applications: The FY 2019 request proposes \$58.4 million for the Federal Citizen Services Fund to support programs and activities that enhance citizens' ability to securely interact with Federal agencies. These activities enable public access and engagement by allowing individuals and businesses to easily find and use Federal information, services, benefits, and business opportunities via the internet, phone, and email. E-government initiatives continue to drive innovation to improve the transparency, security, and efficiency of Federal operations, and increase the quality of Government services. Within this request, GSA proposes to use \$6 million to support Government agency efforts to enhance the trust and safety of the public's interactions with digital Government services by establishing pilots focused on identity proofing.

² As reported on ITDashboard.gov on May 10, 2017.

Delivering an Efficient and Effective Federal Government:

Office of Management and Budget (OMB) Memorandum M-17-22 directs agencies to focus the Federal government on effectively and efficiently delivering those programs that are the highest need to citizens and where there is a unique Federal role. The President's FY 2019 Budget request for GSA supports this effort on many fronts:

Investing in the Federal Workforce: The FY 2019 Request proposes \$50 million for a new program to improve the Federal government's ability to recruit and retain top talent as well as re-skill the workforce to meet 21st century needs by providing one-time funding for targeted workforce initiatives across government. In FY 2019, this program will pilot a targeted government-wide funding program to test innovative solutions to recruiting, retaining, or rewarding employees with critical skill sets. Earlier this year, as part of the Administration's response to the spending caps deal, \$1 billion in multiyear budget authority was proposed for this fund for FY 2018.

Streamlining the Federal Permitting Process: To assist agencies with streamlining their permitting processes, GSA is requesting \$6.1 million to support the Federal Permitting Improvement Steering Council (Permitting Council). The council will work with permit-issuing agencies to provide coordination, management, direction, and support relating to large infrastructure projects that require Federal authorization or environmental reviews. To enhance the transparency of the permitting process, the Permitting Council developed the Federal Permitting Dashboard, an online tool for Federal agencies, project developers, and interested members of the public to track the Federal government's environmental review and authorization processes, part of a government-wide effort to improve coordination, transparency, and accountability.

Developing Smarter, More Effective Policies: The FY 2019 request for the Office of Government-wide Policy (OGP) is \$66 million. OGP will continue critical government-wide policy and evaluation activities, including support for coordinating regulatory review processes with agencies and the public for the OMB Office of Information and Regulatory Affairs, managing important government-wide guidance such as the Federal Acquisition Regulations and Federal Travel Regulations, and delivering important information to decision-makers, including the Federal Real Property Profile.

This past December, in accordance with FASTA, GSA released the Federal Real Property Profile (FRPP) public data set, which contains detailed information on more than 300,000 Federal assets. Making data on the Federal government's real property inventory available to the public and industry stakeholders will help reduce costs, increase utilization, improve the accuracy of the Federal government's data and incentivize Federal agencies to achieve great efficiency in their real property inventories.

The request provides \$2 million for the activities of the Office of Shared Solutions and Performance Improvement (formerly the Unified Shared Services Management Office), to

continue to support management, implementation, and assessment of high quality, high value shared services that improve performance and efficiency throughout government. As the agency lead for the President's Management Agenda Cross Agency Priority Goal on Sharing Quality Services, I am also pushing all of GSA to identify ways we can better support shared services across government.

Closing:

GSA is committed to delivering value and savings in real estate, acquisition, technology, and other mission-support services across Government. The funding this Committee invests in GSA is essential in supporting the programs and activities that allow our client agencies to focus and deliver on their core missions. The President's FY 2019 budget for GSA supports that mission and provides critical improvements to our nation's infrastructure, enhances information technology and cybersecurity, and improves the effectiveness and efficiency of government. I look forward to working in partnership with this Committee. Thank you for the opportunity to appear before you today. I am happy to answer any questions you may have.