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Written Testimony for U.S. House of Representatives, Committee on Appropriations
Subcommittee on the Legislative Branch
U.S. Government Accountability Office FY2025 Appropriations

Chairman Valadao, Ranking Member Espaillat, and members of the Subcommittee:

My name is Dan Lips. I am Head of Policy at the Foundation for American Innovation, a think tank focused on promoting innovation, strengthening governance, and advancing national security. I am writing to respectfully urge the Subcommittee to support the Comptroller General's FY2025 budget request for the Government Accountability Office (GAO), in light of GAO's history of providing significant taxpayer savings.¹ The congressional watchdog agency reported a return on investment in FY2023 of \$84 for every dollar provided to GAO from Congress, for a total return of roughly \$70.4 billion in financial benefits.²

In addition to supporting the overall budget request from GAO, I would also like to recommend several actions that the Subcommittee could take to improve GAO's return on investment.

First, the Subcommittee should include report language requiring GAO to set targeted completion dates for recommendations to encourage federal agencies to implement nonpartisan reform recommendations in a timely manner. GAO currently has more than 5,000 open recommendations, including more than 450 priority recommendations.³

Furthermore, GAO reports that agencies often take years to implement its nonpartisan recommendations, if they ever do. In its FY2023 Performance and Accountability report, GAO reported that its four-year implementation rate for its recommendations was 75

¹ GAO, GAO-24-107438 *Fiscal Year 2025 Budget Request: U.S. Government Accountability Office* (2024), <https://www.gao.gov/products/gao-24-107438>.

² U.S. Government Accountability Office, GAO-24-900483, *Performance and Accountability Report Fiscal Year 2023* (2022), <https://www.gao.gov/assets/d24900483.pdf>.

³ U.S. Government Accountability Office, "Recommendations Database," updated April 11, 2024, <https://www.gao.gov/reports-testimonies/recommendations-database>.

percent, below its target of 80 percent.⁴ This is important because GAO says that “recommendations remaining open after a 4-year period are less likely to be implemented in subsequent years,” meaning that a quarter of GAO’s recommendations never go anywhere. Savings from following GAO’s recommendations could therefore be even higher than they already are.

The FY2022 appropriations bill required GAO to issue “a report estimating the cost savings that could be achieved if agencies acted on GAO’s recommendations organized by agency.” However, GAO has not answered this reporting requirement in a detailed manner, instead providing a rough estimate based on a statistical simulation, finding that implementing all open recommendations “could produce \$92 billion to \$182 billion of measurable, future financial benefits.”⁵ The Subcommittee should ask GAO to provide an itemized list of recommendations that could achieve cost savings so that Congress can use its appropriations, legislative, and oversight powers to achieve taxpayer savings. Additionally, the Subcommittee should consider asking GAO to establish deadlines or targeted completion rates for open GAO recommendations, which could create more pressure for agencies to implement them.

Second, the Subcommittee should direct the Comptroller General to use additional resources to conduct oversight of improper federal payments. Federal agencies estimated making \$236 billion in proper payments last year, according to a GAO report issued last month.⁶ These improper payments include about \$175 billion in overpayments—roughly 75 percent of total improper payments.

In light of the federal government’s fiscal challenges, and GAO’s decades of experience in the oversight of federal improper payments, Congress and GAO should devote additional attention and resources on curbing improper payments. In 2023, Comptroller General Dodaro recommended 10 actions that Congress should take to prevent improper payments, including establishing “a permanent analytics center of excellence to aid the oversight community in identifying improper payments and fraud.”⁷ The Subcommittee

⁴ GAO, *Performance and Accountability Report Fiscal Year 2023*.

⁵ GAO, GAO-23-106598, *Potential Financial Benefits: Estimating the Value of Implementing Open GAO Recommendations* (2023), <https://www.gao.gov/products/gao-23-106598>.

⁶ GAO, GAO-24-106927, *Improper Payments: Information on Agencies' Fiscal Year 2023 Estimates* (2024), <https://www.gao.gov/products/gao-24-106927>.

⁷ GAO, GAO-23-106556, *Emergency Relief Funds: Significant Improvements Are Needed to Address Fraud and Improper Payments* (2023), <https://www.gao.gov/products/gao-23-106556>.

should add report language urging the Comptroller General to use resources already within GAO’s budget to establish this center and continue its effort to counter government misspending.

Third, the Subcommittee should consider encouraging GAO to reduce its allowance of remote work and require employees to return to the office. Based on multiple visits to the GAO offices and conversations with GAO staff, it appears that much of GAO’s workforce remains at home long after many workers have returned to the office. Remote work may have contributed to GAO’s falling return on investment in recent years, as shown in the below chart.⁸

Table 4: Return on Investment Data

	Return on Investment						6-Year Average
	2018	2019	2020	2021	2022	2023	
Financial benefits (dollars in billions)	\$75.1	\$214.7	\$77.6	\$66.2	\$55.6	\$70.4	\$93.3
Dollars invested (dollars in billions) ^a	\$0.60	\$0.64	\$0.66	\$0.71	\$0.75	\$0.84	\$0.7
Return on investment (per dollar invested)	\$124	\$337	\$118	\$93	\$74	\$84	\$133

Source: GAO. | GAO-24-900483

GAO just rolled out a “New Flexible Work Application,” suggesting a continued and perhaps increased commitment to remote work on the agency’s part, but this could further reduce GAO’s return on investment.

In the past, GAO has recommended achieving savings by selling unused or unnecessary federal real property. The Subcommittee should either encourage GAO employees to return to the office, or should take GAO’s own recommendation and consider reevaluating the amount of federal funds that are being directed to offices for GAO that may not be used. Additionally, the Committee should be skeptical of GAO’s request to “increase leasable space in headquarters and decrease GAO’s leased space footprint in the field.”⁹ I encourage GAO to decrease its leased footprint across the board if it chooses to continue widespread remote work.

⁸ GAO, *Performance and Accountability Report Fiscal Year 2023*.

⁹ GAO-24-107438, *Fiscal Year 2025 Budget Request, Testimony Before the Subcommittee on the Legislative Branch, Committee on Appropriations, House of Representatives* (2024), p. 5, <https://www.gao.gov/assets/d24107438.pdf>.

Fourth, the Subcommittee should direct the Comptroller General to establish a Regulatory Review mission team within GAO to enhance the legislative branch’s ability to oversee federal regulations and the administrative state. The number of pages in the *Code of Federal Regulations* more than doubled between the 1970s and 2010s,¹⁰ and the Biden administration has continued to grow the administrative state and issue new regulations, such as restrictions on kinds of lightbulbs Americans can buy. Meanwhile, congressional Republicans’ attempts to curb federal regulatory overreach (for example, through the REINS Act) have been blocked by Democrats.

Congress has a constitutional responsibility to oversee federal regulations and the regulatory process, but currently lacks sufficient expertise and capacity for regulatory analysis and oversight. If the Supreme Court issues a ruling narrowing the *Chevron* deference doctrine this summer, the executive branch’s authority would narrow, and Congress could have more power to oversee federal regulations. It is therefore essential to ensure that congressional agencies are equipped to do so.

In particular, GAO has a statutory role in analyzing regulations under the Congressional Review Act.¹¹ In 2000, Congress passed a pilot program to authorize GAO to conduct independent regulatory analysis at Congress’s request through the Truth in Regulating Act.¹² However, the pilot project was never funded, and the authority expired in 2004. As the size of the administrative state and the scope of federal regulations have only grown since then, Congress should reconsider how GAO can support congressional capacity for oversight of federal regulations.

Several scholars have recommended that Congress establish a Congressional Regulation Office within the legislative branch, modeled on the Congressional Budget Office.¹³ A Congressional Regulation Office could conduct cost-benefit analyses of agencies’ proposed

¹⁰ Phillip Wallach and Kevin R. Kosar, “The Case for a Congressional Regulation Office,” *National Affairs* (Fall 2016), <https://nationalaffairs.com/publications/detail/the-case-for-a-congressional-regulation-office>.

¹¹ See “Congressional Review Act,” U.S. Government Accountability Office, accessed April 11, 2024, <https://www.gao.gov/legal/other-legal-work/congressional-review-act>.

¹² Truth in Regulating Act of 2000, Pub. L. No. 106-312; Comptroller General David M. Walker, Letter to the Honorable Tom Davis, June 7, 2006, <https://www.gao.gov/assets/b-302705.pdf>.

¹³ Wallach and Kosar, “The Case for a Congressional Regulation Office”; Susan E. Dudley, “Examining Practical Solutions to Improve the Federal Regulatory Office,” statement for a roundtable discussion, U.S. Senate Subcommittee on Regulatory Affairs and Federal Management, June 4, 2015, <https://www.hsgac.senate.gov/wpcontent/uploads/imo/media/doc/DUDLEY%20Statement.pdf>.

significant rules and retrospectively assess the costs and benefits of existing rules. That being said, Congress and the Subcommittee could pursue similar reforms even in the absence of a full Congressional Regulation Office. Encouraging GAO to create a regulatory review mission team within GAO, modeled on the Science, Technology Assessment, and Analytics team created several years ago, would help to strengthen congressional capacity and improve oversight of the regulatory state.

To summarize, the legislative branch funding bill for FY2025 should continue prioritizing resources for GAO to conduct oversight of the executive branch.

- Report language requiring the Comptroller General to set targeted completion dates for GAO recommendations and to identify and prevent improper payments and fraud could produce tens, if not hundreds, of billions of dollars in taxpayer savings over time.
- Requiring GAO's workforce to return to the office would likely improve GAO's performance; alternatively, selling now-unused office space would produce savings that could be better used elsewhere.
- Establishing a mission team within GAO to enhance congressional regulatory oversight capacity would help the legislative branch oversee federal regulations and administrative actions to ensure cost-effective regulations.

These actions would help Congress address the nation's fiscal challenges and leverage nonpartisan oversight to make the federal government work better for the American people.