

**Committee on Appropriations
Subcommittee on Legislative Branch**

*Budget Hearing – Fiscal Year 2024 Request for the Government
Accountability Office*

(03.23.2023)

Questions for the Record

Submitted by Congressman Espallat

Investing in GAO

Mr. Dodaro, I strongly support the Government Accountability Office (GAO) and your budget request for fiscal year 2024. Investing in the capacity of the Legislative Branch is critical to ensuring that we have a strong and safe Congress, and as you already stated in your testimony, “Congress is basically out-resourced against the Executive Branch, and unless you have strong oversight and a strong GAO, it is hard to provide effective oversight Congress needs an independent check and balance.” That is one of the many reasons it is so essential that the Congress continue to invest in and build capacity at GAO and across the entire Legislative Branch, which is still recovering from a decade of disinvestment during the Budget Control Act.

Nevertheless, there is a reported proposal to cut the fiscal year 2024 discretionary appropriations back to the fiscal year 2022 enacted level, which could result in a cut of at least 22 percent for critical government programs and activities.

Question: To give this committee a better understanding of the impacts, could you explain the effects such a drastic cut would have on GAO’s operations and all of the services that GAO provides to Congress? How would cuts of this magnitude impact GAO’s ability to root out fraud, waste, and abuse?

GAO Response: A budget cut of this magnitude would have a devastating effect on our ability to meet the needs of Congress. GAO’s mission is to help Congress carry out its constitutional oversight responsibilities and improve the performance and accountability of the federal government. Reducing GAO’s capacity would come at a time when federal programs, activities, and spending have grown in size and complexity, which demands more oversight, not less.

[Example from 2015]

Over 80 percent of GAO's budget represents human capital costs. That is, the salaries and benefits of its talented and highly skilled workforce. While we would constrain spending in other areas, such as needed IT improvements and deferred maintenance on GAO's building, this level of budget cut would require us to significantly reduce our human capital costs. We would achieve these savings by stopping all planned hiring, imposing furlough days, and conducting a layoff. We estimate that cutting our budget to the FY 2022 level would reduce our workforce by about 600 FTEs. This would require us to lay off 570 GAO employees, or not replace the over 200 employees that we expect to lose through attrition and to furlough all remaining employees for 42 days each.

This level of FTE reduction would result in us not being able to meet the needs of Congress. Demand for GAO work remains high. We regularly receive hundreds and hundreds of mandates or requests from Congress each year. The FY23 NDAA alone contained 158 mandated studies for GAO. With a significantly reduced workforce, we would likely have to stop work on requests from committee leaders and direct staff to work on mandates only. It would also lengthen the time that it takes for us to begin our reviews, meaning Congress would have to wait longer for the results of our work.

Furthermore, reducing GAO's capacity would undercut its track record of delivering tangible benefits through improving government performance and accountability. GAO has proven to be a good investment. Over the past five years, we have returned \$145 in financial benefits for every \$1 invested in us. During this period, we also delivered an annual average of over 1200 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.

Through our oversight we also root out fraud, waste, abuse and other questionable uses of federal dollars. For example, in response to our recommendations on strengthening the integrity of the Paycheck Protection Program's (PPP), 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.

From past experiences with significant cuts to our budget, rebuilding lost capacity will take years. For example, due to budget constraints and sequestration of the early 2010s, GAO's FTE level fell by 15 percent, dropping below 3,000 for the first time since 1935. Since that time, we have worked to rebuild our staff resources. But even with this subcommittee's support, we did not achieve pre-2010s staffing levels until FY 2022. While we were able to rebuild our staffing levels, we continue to play catch-up on IT upgrades that we delayed due to the budget constraints, as we prioritized our talented workforce over other budget needs.

In sum, a reduction in our budget of this size severely jeopardizes our ability to adequately support the Congress in a timely manner, now and into the future. Given the size of the federal budget and the multi-year actions needed to address the seriousness of the government's fiscal condition, investing resources to restore some of GAO's staff capacity would be a prudent and wise investment that will produce positive outcomes for the Congress and our country.