



Testimony

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Legislative Branch, Committee on
Appropriations, House of
Representatives

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FISCAL YEAR 2025 BUDGET REQUEST

U.S. Government Accountability Office

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Statement of Gene L. Dodaro,
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GAO Highlights

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Background

GAO's mission is to support Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. We provide nonpartisan, objective, professional and reliable information to Congress, federal agencies, and to the public. GAO recommends hundreds of improvements across the full breadth and scope of the federal government's responsibilities.

In fiscal year 2023 alone, GAO issued 671 products, and 1,345 new recommendations. Congress used our work extensively to inform its decisions on key fiscal year 2023 and 2024 legislation.

Since fiscal year 2002, GAO's work has resulted in over:

- \$1.38 trillion dollars in financial benefits; and
- Over 28,000 program and operational benefits that helped to change laws, improve public safety, and promote sound management throughout government.

As a non-partisan, fact-based service organization, GAO is committed to providing program and technical expertise to support Congress. This includes crafting legislation; overseeing the executive branch; evaluating government programs, operations, and spending priorities; and assessing information from outside parties.

In fiscal year 2023, GAO's work yielded \$70.4 billion in financial benefits, a return of about \$84 for every dollar invested in GAO. Our average return on investment for the past 6 years is \$133 to \$1. In 2023 we also identified 1,220 other benefits that led to improved services to the American people, strengthened public safety, and spurred improvements across the government. GAO's High Risk Series this past year resulted in \$32.9 billion in financial benefits and 468 program and operational improvements. GAO is also helping advance agencies' efforts and related Congressional oversight to prevent, detect, and respond to fraud, waste, and abuse. For instance, in FY 2023 we estimated that the amount of unemployment insurance fraud during the COVID-19 pandemic was likely between \$100 billion and \$135 billion.

For our fiscal year 2025 budget, GAO is requesting \$916.0 million in appropriated funds and \$59.8 million in offsets and supplemental appropriations. This will maintain 3,600 full-time equivalents (FTE). These resources will enable GAO to continue to meet the priority needs of the Congress including five key areas of importance to the nation and Congress:

- **National Security Enterprise.** GAO evaluates an array of national security efforts in areas such as military readiness, space programs, and the U.S. nuclear complex.
- **Fraud Prevention.** We examine government efforts to safeguard programs from fraud by focusing agencies more on prevention.
- **Science and Technology.** GAO's growing portfolio of ongoing and future work includes many aspects of artificial intelligence, medical research and applications, critical minerals recovery, and quantum computing.
- **Cybersecurity.** GAO assesses the development and execution of a comprehensive national cybersecurity strategy, the cybersecurity of 16 critical infrastructure sectors across the U.S., and the security of federal information systems.
- **Health Care Costs.** GAO examines the sustainability and integrity of the Medicare and Medicaid programs, Veterans Affairs, DOD, and Indian Health Service health care services.

Our fiscal year 2025 budget request also supports GAO's IT modernization and space optimization efforts. We will transition processes to Cloud Services and enhance cybersecurity. This will allow GAO to grow in agility and better engage IT Modernization strategies. In addition, we will advance space optimization projects to increase leasable space in headquarters and decrease leased space in the field. We will also continue addressing a maintenance backlog at the headquarters building.

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

I want to express my appreciation for this Subcommittee's support. With your help GAO has made great progress in saving federal funds, meeting congressional priorities, and improving government performance and accountability. Over the past 20 years our work has generated more than \$1.3 trillion in financial benefits, a return of \$113 on every dollar invested in GAO. In addition, in FY 2023 we recorded 1,220 other benefits resulting from our work across government as well as enhancements to national security and public safety. For example, the 2024 National Defense Authorization Act (NDAA) contained over 50 provisions that reflected GAO's recommendations across important areas, including cybersecurity, military housing, commercial satellite imagery capabilities, and special operations forces skills and competencies.

I am fully confident that the FY 2025 budget request will enable us to continue providing timely and high-quality support to the Congress and help improve government. Demand for GAO work remains high. The 2024 NDAA alone included 115 mandates for GAO. In FY 2023, we received 647 requests from 93 percent of the standing committees representing a broad range of congressional interests. We issued 670 products, made 1,345 new recommendations, and we achieved a 94 percent on-time delivery rate.

In 2023 we issued our 13th annual report on ways to reduce fragmentation, overlap, and duplication and achieve other efficiencies. We identified 100 new recommendations in addition to the 1,782 suggestions from prior reports. As of April 2023, the Congress and federal agencies had fully addressed 1,239 and partially addressed 144 of these suggestions yielding about \$600 billion in financial benefits.

In addition, Congress has sought GAO oversight of the federal funds provided through the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act, and previously provided Ukraine assistance. As of March 2024, we have issued 20 IIJA reports which contained 46 recommendations. In addition, we have over 20 ongoing reviews examining issues related to the Inflation Reduction Act and oversight of Ukraine assistance.

Along with countless briefings to congressional staff and Members, we provided expert testimony 57 times before 32 separate committees or subcommittees in FY 2023. Moreover, in the first two quarters of FY 2024, we have already provided more than 435 instances of technical assistance to over 215 committees and congressional offices. In FY 2023, GAO also sent 34 staff to work on 16 Congressional committees and 7 subcommittees for a limited time. We have received much appreciation and compliments from Congress for all these services.

We consistently deliver high quality products and services for Congress and the American people because of our talented, professional, and dedicated staff. Given the broad scope of issues the Congress relies on us to investigate and audit, our employees' collective expertise ranges from the hard sciences to public policy and administration to information technology, economics, law, financial auditing and much more. We also have people that possess deep subject area knowledge of virtually all major facets of government from defense to health care to natural resource management, for example.

We successfully recruit and retain highly qualified staff from a wide range of disciplines because we are a premier employer in the federal government. In March 2023, the Partnership for Public Service ranked GAO as first among mid-size federal agencies as a "best place to work" for the third year in a row based on our employees' views.

In September 2023 a Future of Work agreement was reached with GAO Employees Organization, IFPTE Local 1921. The agreement, which builds off GAO's longstanding flexible work, voluntary transfer, and telework policies, prioritizes and ensures that GAO: 1) continues to meet its mission in serving the Congress; 2) maintains expertise, independence, and quality in our work; 3) provides flexibility for a productive work environment; and 4) establishes equitable pay scales for employees in different locations. The agreement covers standard and core business hours, flexible work arrangements, voluntary transfers, and workspace assignment. Also, an updated pay system covers employees approved to change their Official Duty Station through remote work or a voluntary transfer to a different GAO office.

Fiscal Year 2025 Request

For FY 2025 GAO is requesting \$916.0 million in appropriated funds, a 12.8 percent increase over FY 2024 levels, and the use of \$59.8 million in

offsets and supplemental appropriations. The FY 2025 budget request maintains GAO staffing at the 3,600 FTE level enacted for FY 2024 and reflects the impact of the reduced use of offsets as well as the winding down of supplemental funds.

The request will allow us to continue to meet the priority needs of the Congress. These priorities include five key areas of importance to the nation and Congress where we have focused on expanding our capabilities in recent years. Specifically,

- **National Security Enterprise.** The United States is faced with a wide range of global strategic and domestic terrorism challenges. For example, China and Russia employ economic, technological, informational, and military tools to undermine U.S. interests. The latest U.S. *National Security Strategy* emphasizes the importance of stronger American power and influence including a more modern U.S. military. To assist the Congress in monitoring how the government is addressing these significant challenges, GAO evaluates federal efforts across the spectrum of global national security activities, including military readiness, space programs, and the U.S. nuclear complex.

On the domestic front, terrorism threats have expanded from externally directed plots to attacks carried out by both homegrown violent extremists inspired by foreign terror organizations, and by what the FBI identifies as self-radicalized domestic terrorists. GAO assists congressional oversight of government counterterrorism efforts by evaluating FBI and DHS activities and progress in implementing open GAO recommendations.

- **Fraud Prevention.** The unprecedented amount of fraud in pandemic programs highlighted the urgent need for better implementation of leading practices for fraud risk management, identified in GAO's 2015 *A Framework for Managing Fraud Risks in Federal Programs*. This framework is now embedded in legislation and OMB circulars. Since then, we have examined the extent to which over 40 agencies or program offices are adhering to leading practices to safeguard their programs from fraud—in normal operations and emergencies. As GAO reported in November 2023, we have made 173 recommendations to better manage fraud risks. We also plan to issue a government-wide estimate of fraud in 2024.
- **Science and Technology.** Innovations in science and technology produce transformative change, sometimes with tremendous benefits to the U.S. economy, individuals, and society. For example, Artificial

Intelligence (AI) may have the potential to transform virtually all sectors of American life by accelerating decision-making and automating monotonous tasks. However, such change can also lead to negative effects on privacy, equity, cybersecurity, and job security.

Our Science, Technology Assessment, and Analytics team serves as a crucial resource for the Congress in understanding both the promise and the risks of emerging innovations. Its growing portfolio of ongoing and future work includes many aspects of AI in defense and civilian applications, quantum computing, regenerative medicine, critical minerals recovery, medical research, and technology transfer to foreign countries. GAO's Innovation Lab continues to apply a hands-on approach to explore data science and emerging technology through experiments, with the goal of enhancing GAO's oversight capabilities.

Since 2019, we issued 45 Science and Tech Spotlights, which distill complex issues into a two-page summary. Last fiscal year, we issued products in areas including generative AI, synthetic biology, and drone swarms. We also issued in-depth Technology Assessments on various topics, including chemical weapons, utility-scale energy storage, fusion energy, and precision agriculture.

- **Cybersecurity.** Escalating threats, including new and more destructive attacks from around the globe, highlight the critical and persistent need for effective cybersecurity. Our work will continue to assess multiple priorities, such as the development and execution of a comprehensive national cybersecurity strategy, the cybersecurity status of 16 critical infrastructure sectors across the U.S., and the security of federal information systems throughout government.
- **Health Care Costs.** GAO continues to examine the sustainability and integrity of the Medicare and Medicaid programs, and overseeing VA, DOD, and Indian Health Service health care services. Health care spending now accounts for around 29 percent of the federal budget and is one of the fastest growing federal expenditures.

GAO's FY 2025 budget request also allows small program and inflationary increases to our Information Technology and Building and Security programs respectively. This includes enhanced cloud data management and storage solutions, as well as IT security upgrades to combat the ever-growing cybersecurity threats toward U.S. assets. The request will also support GAO's Innovation Lab planned work.

GAO is leveraging the Cloud to adopt emerging technology more quickly. Shifting from an on-premises data center to a cloud environment will allow

GAO to grow in agility and better engage IT Modernization and cybersecurity strategies. GAO is implementing Zero Trust Architecture principles to enhance cloud services with access and authentication controls using the cloud-based Secure Access Security Edge. Zero Trust allows GAO to transition from traditional perimeter-focused security models to cloud focused models with security controls throughout the infrastructure.

Our FY 2025 budget also supports space optimization projects to increase leasable space in headquarters and decrease GAO's leased space footprint in the field. For example, we are expanding restricted space for performing classified work in our headquarters building to support our growing volume of classified work. Also, we plan on reducing leased field office space by over 50 percent during the next several years.

The GAO workforce is our most critical asset. It is imperative that GAO provide a safe and secure environment. We need to address a maintenance backlog at our headquarters building. For instance, electrical equipment needs to be replaced. Failure has the potential for both safety issues and a possible loss of power. Also, during FYs 2024 and 2025 we will add Personal Identity Verification cards for all staff and contractors; continue with additional Integrated Electronic Security System upgrades at our field offices; and process Background Investigations to meet the demands for classified audits.

In closing, I appreciate, as always, your careful consideration of our budget and your continued support. I look forward to discussing our FY 2025 budget request with you.

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GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

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