



Anticipating and Meeting Accountability Challenges

**National Active and Retired Federal Employees
April 13, 2015**

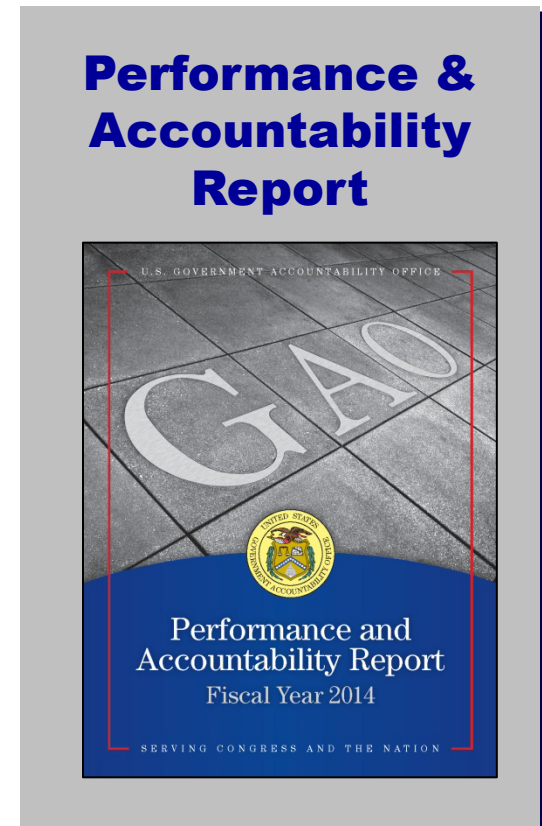
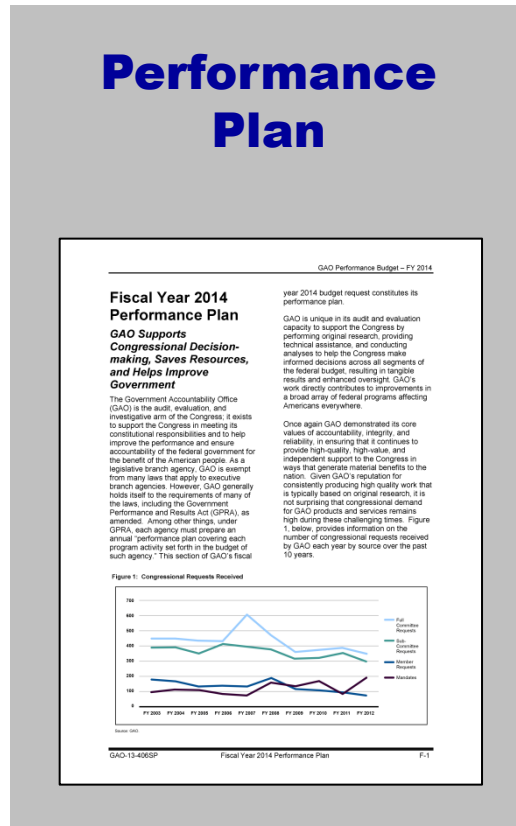
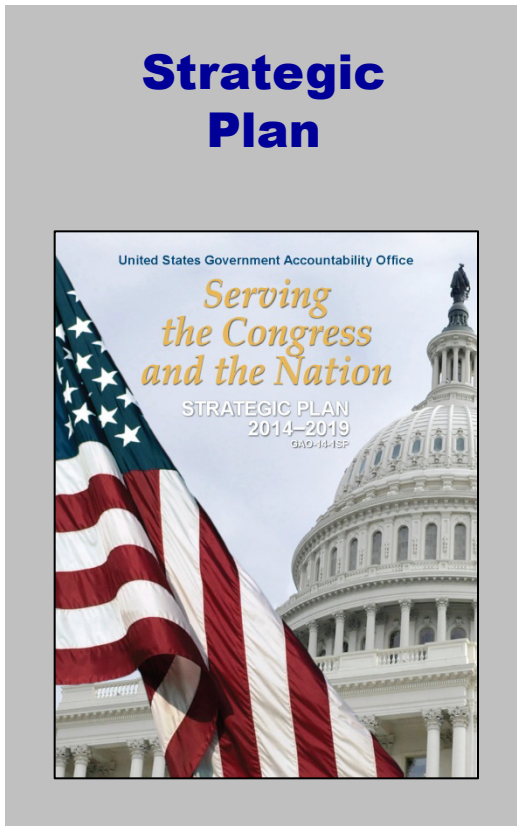
**Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office**

Overview

- GAO's Strategic Plan
- Key trends
- Related GAO work

GAO's Planning & Performance Documents

www.gao.gov/sp.html



Fiscal Year 2014 Performance Plan

GAO Supports Congressional Decision-making, Saves Resources, and Helps Improve Government

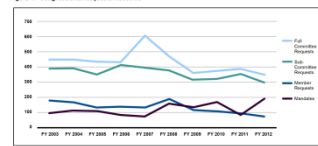
The Government Accountability Office (GAO) is the audit, evaluation, and investigative arm of the Congress. It exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure accountability of the federal government for the benefit of the American people. As a legislative branch agency, GAO is exempt from many laws that apply to executive branch agencies. However, GAO generally holds itself to the requirements of many of the laws, including the Government Performance and Results Act (GPRA), as amended. Among other things, under GPRA, each agency must prepare an annual performance plan covering each program activity set forth in the budget of such agency. This section of GAO's fiscal

year 2014 budget request constitutes its performance plan.

GAO is unique in its audit and evaluation capacity to support the Congress by performing original research, providing technical assistance, and conducting analyses to help the Congress make informed decisions across all segments of the federal budget, resulting in tangible results and enhanced oversight. GAO's work directly contributes to improvements in a broad array of federal programs affecting Americans everywhere.

Once again GAO demonstrated its core values of accountability, integrity, and reliability, in ensuring that it continues to provide high-quality, high-value, and independent support to the Congress in ways that generate material benefits to the nation. Given GAO's reputation for consistently producing high quality work that is typically based on original research, it is not surprising that congressional demand for GAO products and services remains high during these challenging times. Figure 1, below, provides information on the number of congressional requests received by GAO each year by source over the past 10 years.

Figure 1: Congressional Requests Received



Strategic Plan – Trends

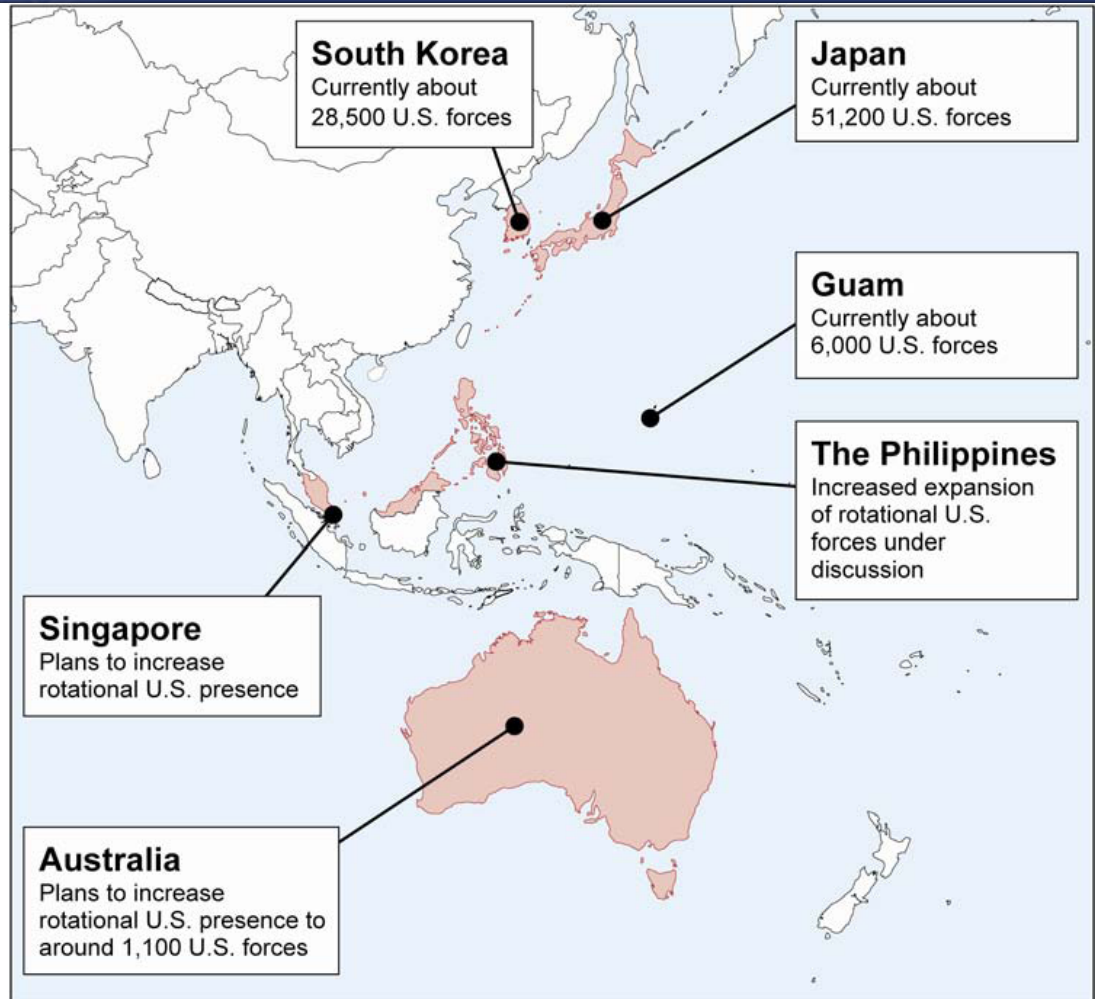
- Threats Confronting U.S. National Security Interests
- Fiscal Sustainability and Debt Challenges
- Demographic and Societal Changes
- Changing Dynamics of Global Interdependence and Multilateral Cooperation
- Science and Technology Trends
- Advances in Communications Networks and Information Technologies
- Shifting Roles in Governance and Government

Trend: Threats Confronting U.S. National Security Interests

- Continuing regional political instability (Middle East, Africa, South Asia)
- Potential for further proliferation of nuclear, biological, and chemical weapons
- Evolving and growing threats in cyberspace
- Climate-related risks
- Growing fiscal pressures on national security agencies
- Shifting dynamics in Asia

Threats Confronting U.S. National Security Interests

Selected Current U.S. Overseas Presence and Plans in the Asia-Pacific Region



Source: GAO.

Threats Confronting U.S. National Security Interests

Related GAO work

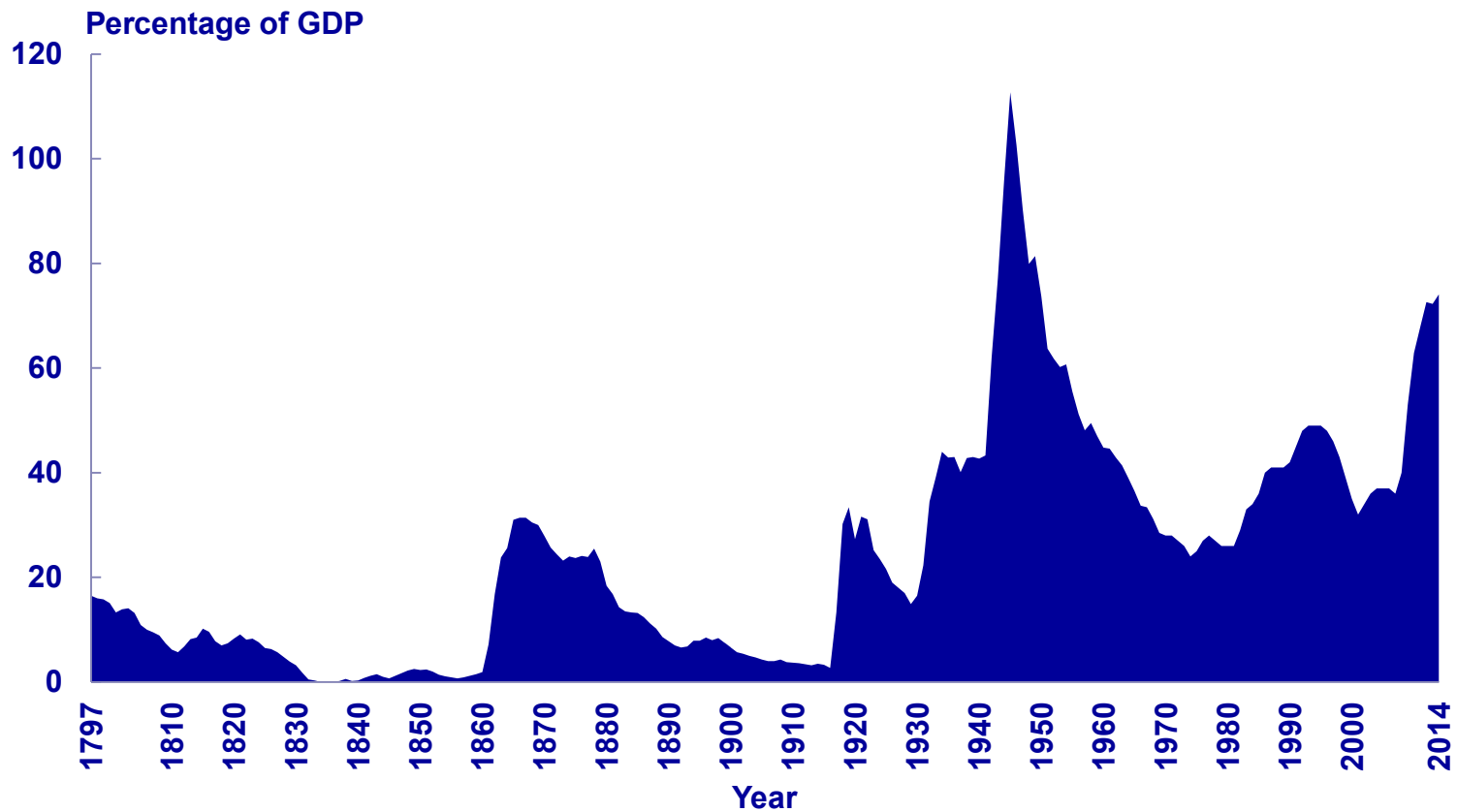
- Examining the implementation of U.S. programs to strengthen **counterterrorism** capacity in the **Middle East and Africa**
- Reviewing U.S. transition from a military to civilian-led presence in **Afghanistan**, including oversight of grants and contracts.
- Analyzing initiatives to adapt and modify **U.S. overseas presence** and programs in Asia and other parts of the world.
- Reviewing U.S. efforts and programs to secure and stabilize **regions in conflict** and the extent to which such efforts are **coordinated** among federal agencies.
- Assessing the government's efforts to ensure the safety and security of **diplomatic facilities and personnel**.
- Reviewing the government's efforts to identify and act on credible **threats to homeland and border security**.

Threats Confronting U.S. National Security Interests

Related GAO work

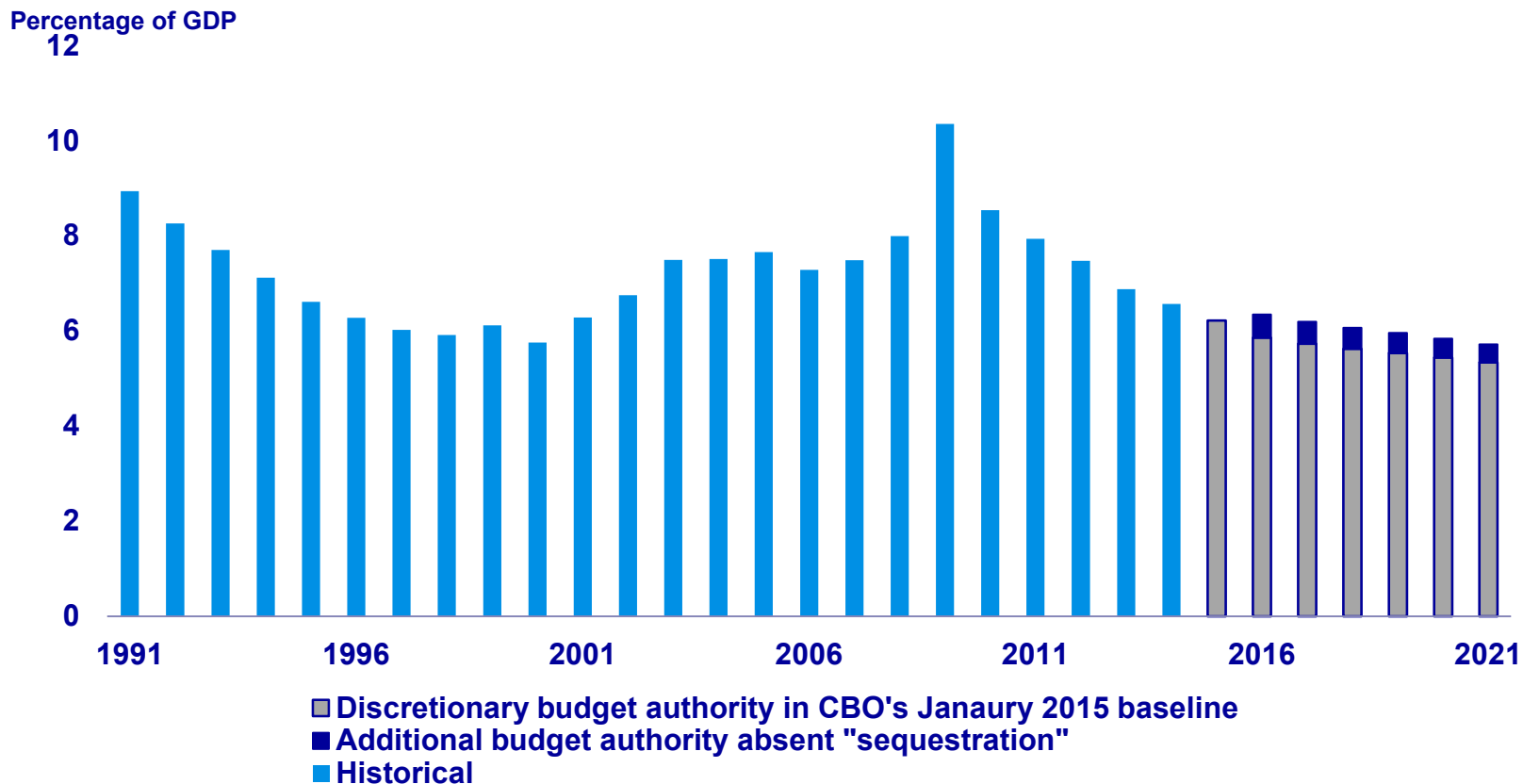
- Reviewing efforts to **secure radioactive and nuclear material**.
- Evaluating efforts to ensure the reliability, security, and affordability of **energy supply infrastructure**.
- Analyzing the **funding and costs of military operations** and programs given the fiscal pressures facing the nation.
- Evaluating the implications of **climate-related risks** for U.S. national security agencies and their plans and programs to address these implications.

Federal Debt Held by the Public as a Share of GDP (1797-2014)



The Budget Control Act: Focus on Discretionary Spending

Discretionary Budget Authority as a Share of GDP, 1991-2021

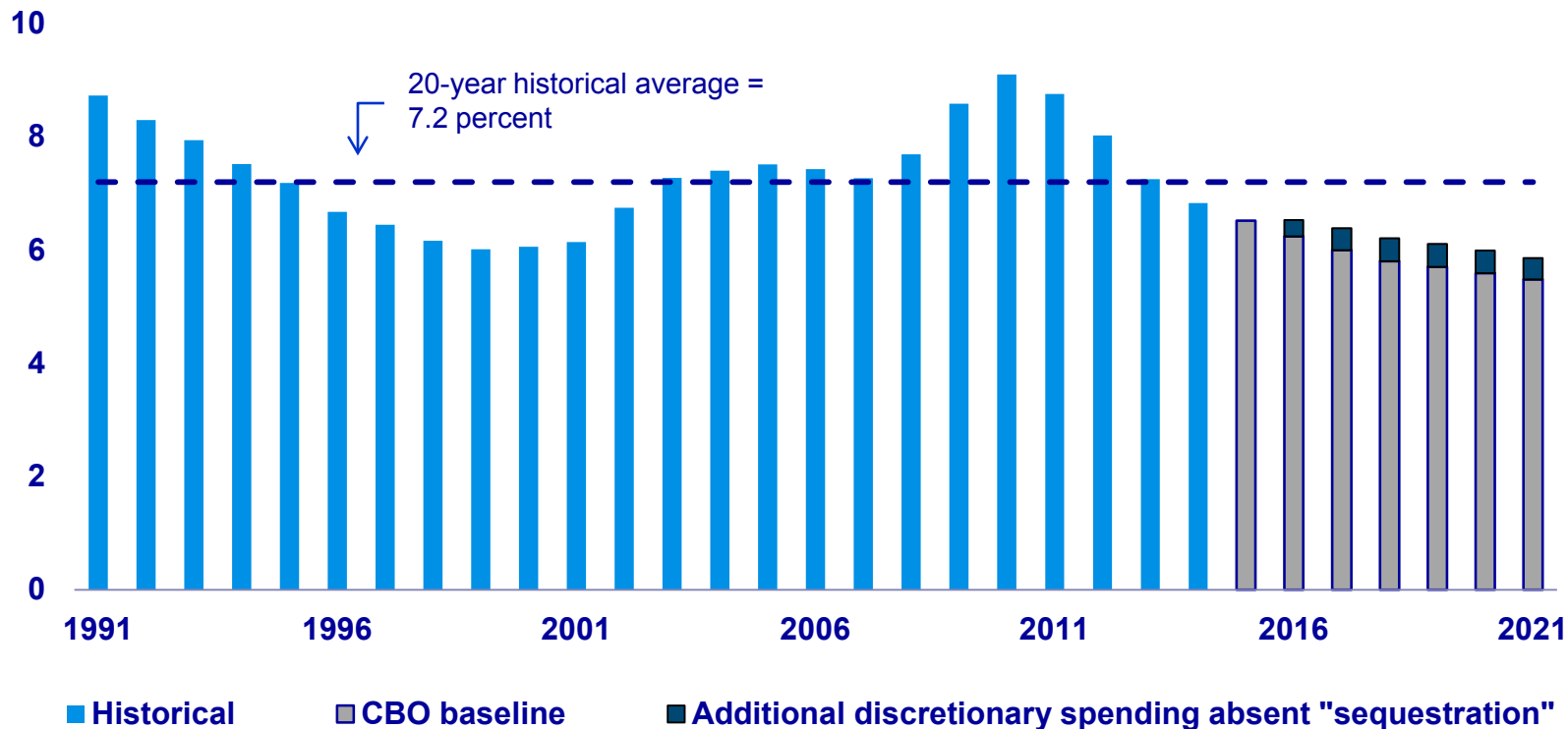


Source: GAO analysis of data from the Congressional Budget Office and OMB data.

The Budget Control Act: Focus on Discretionary Spending

Discretionary Outlays as a Share of GDP, 1991-2021

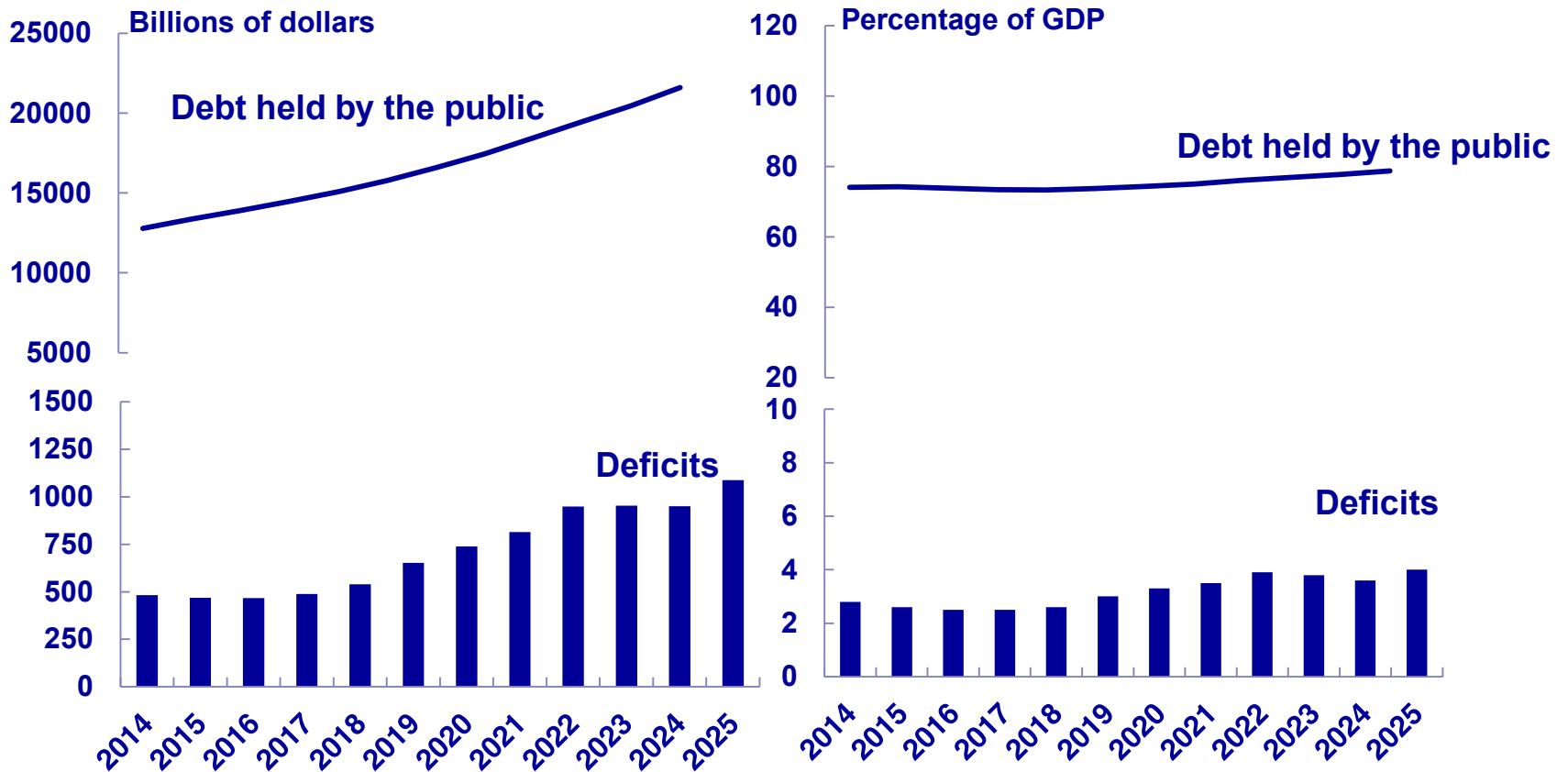
Percentage of GDP



Source: GAO analysis of data from the Congressional Budget Office and OMB data.

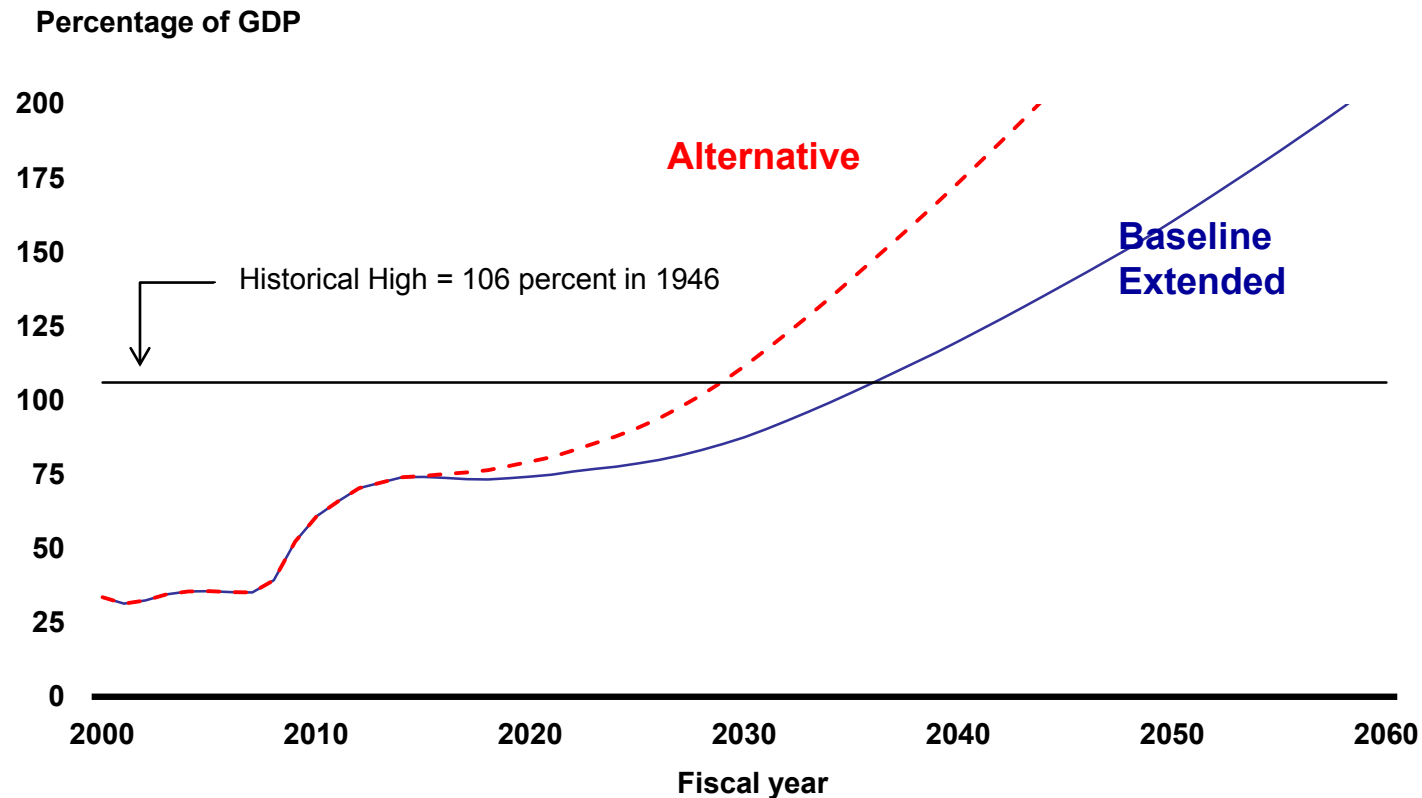
Trend: Fiscal Sustainability and Debt Challenges

Deficits and Debt Held by the Public Under CBO's January 2015 Baseline



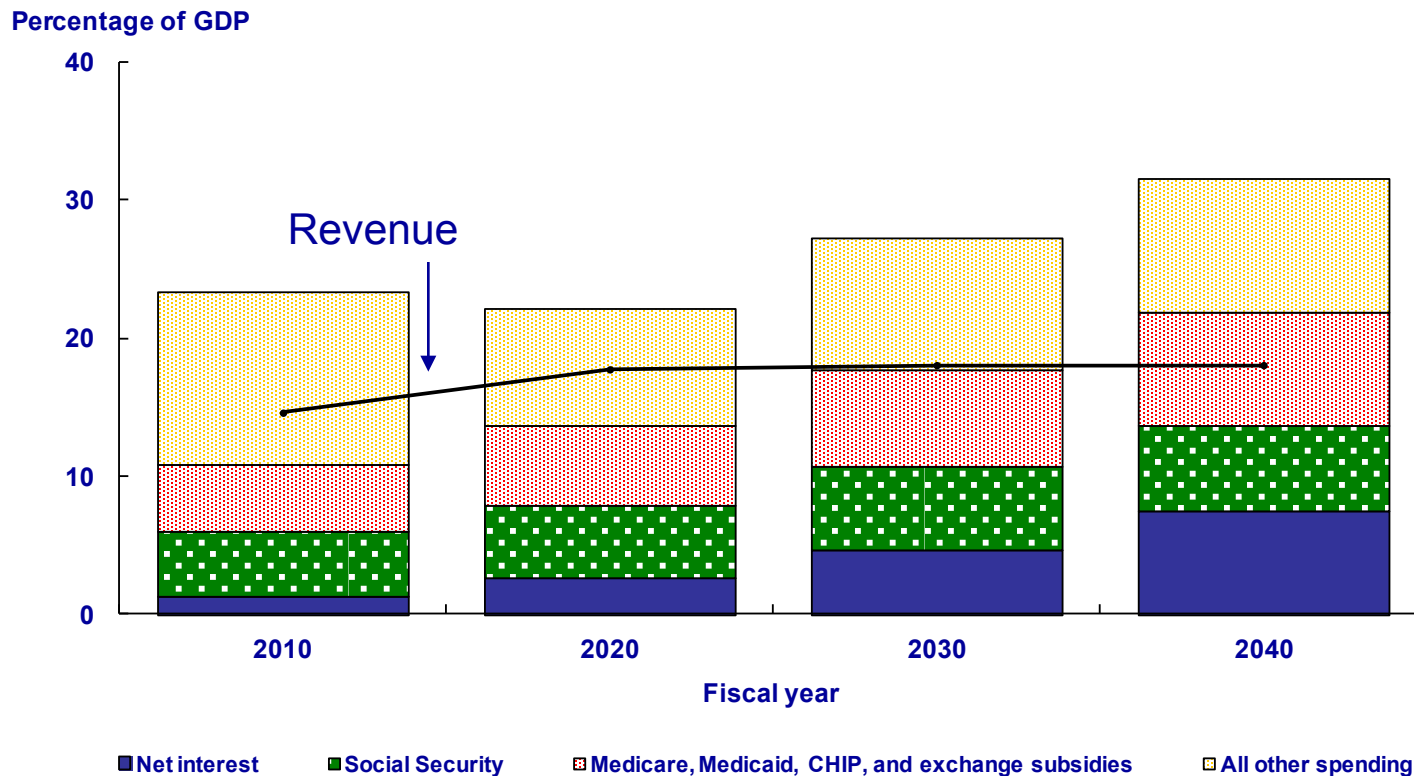
Fiscal Sustainability and Debt Challenges

Debt Held by the Public under Two Fiscal Policy Simulations



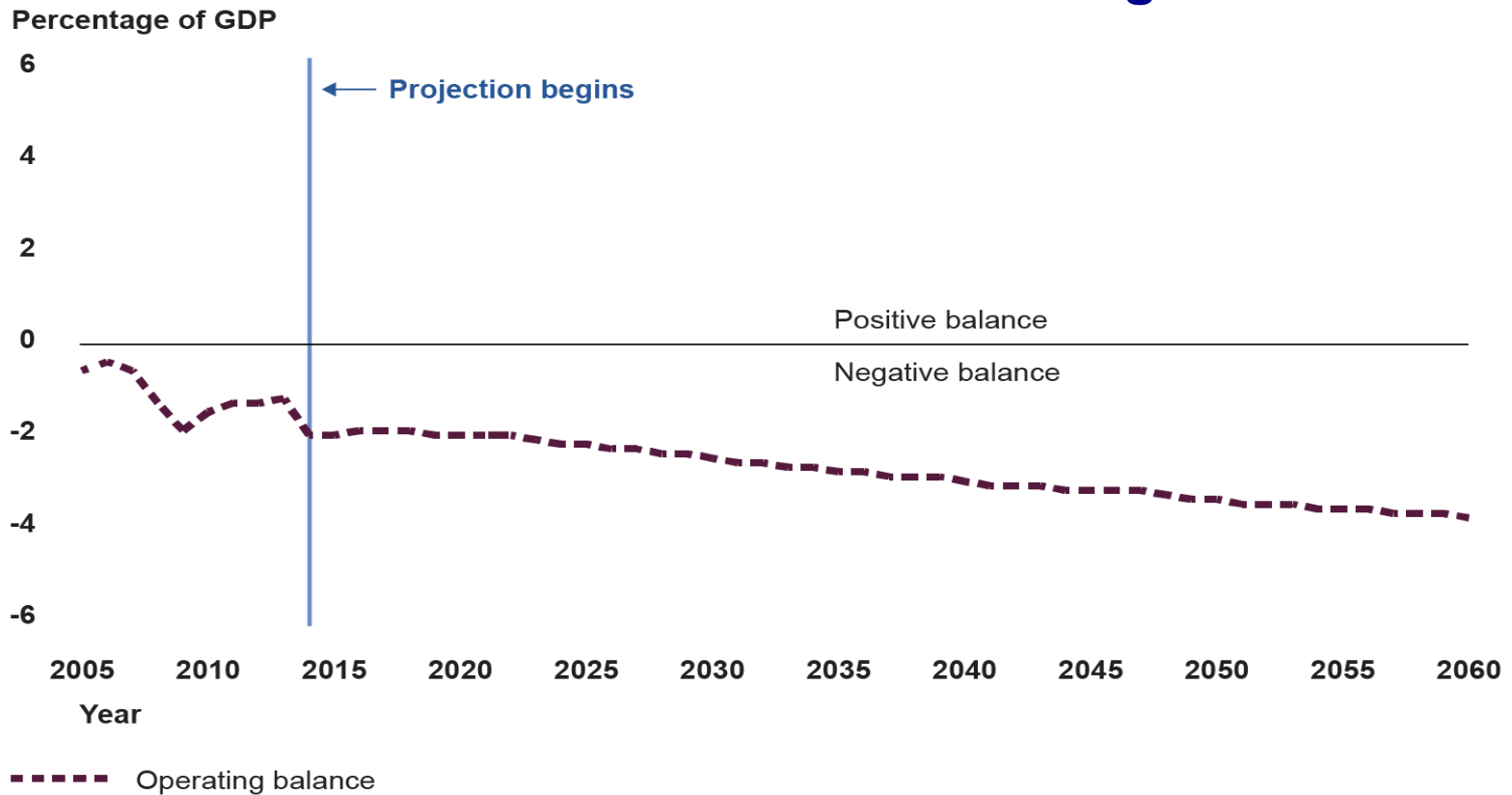
Fiscal Sustainability and Debt Challenges

Revenues and Composition of Spending in the Alternative Simulation



Fiscal Sustainability and Debt Challenges

State and Local Governments Face Increasing Fiscal Challenges



Sources: GAO calculations using Bureau of Economic Analysis data and GAO simulations, updated December 2014. | GAO-15-224SP

Note: Historical data from 2005 to 2013 are from the Bureau of Economic Analysis's National Income Product Accounts. Our simulations are from 2014 to 2063, using many CBO projections and assumptions, particularly for the next 10 years.

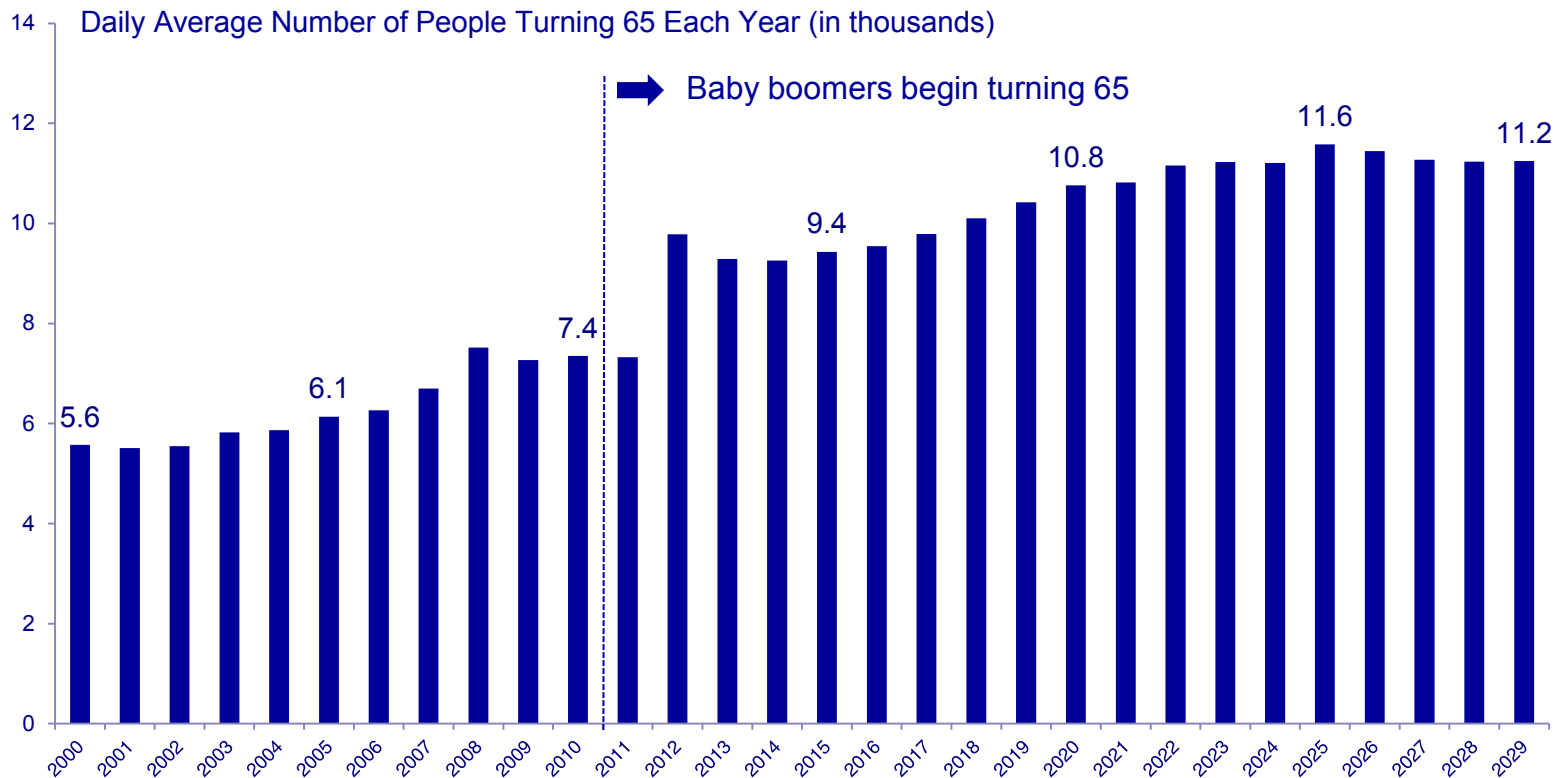
Fiscal Sustainability and Debt Challenges

Related GAO work

- Performing long-term **fiscal simulations** and analyzing drivers of the fiscal position of **federal** and **state and local sectors** on spending and tax side; identifying and analyzing **fiscal exposures**.
- Analyzing **federal debt & debt management**, including the debt limit.
- Improving the quality of **financial and cost information**.
- Analyzing government operations under **sequester & shutdown**. Identifying and recommending solutions to reduce the risk of **improper payments**.
- Identifying opportunities to reduce or eliminate **fragmentation, overlap, and duplication** in government programs and activities.
- Identifying specific opportunities to reduce the **tax gap**.

Trend: Demographic and Societal Changes Confronting Young and Old

Large Numbers of Baby Boomers Eligible to Retire in Next 5 Years

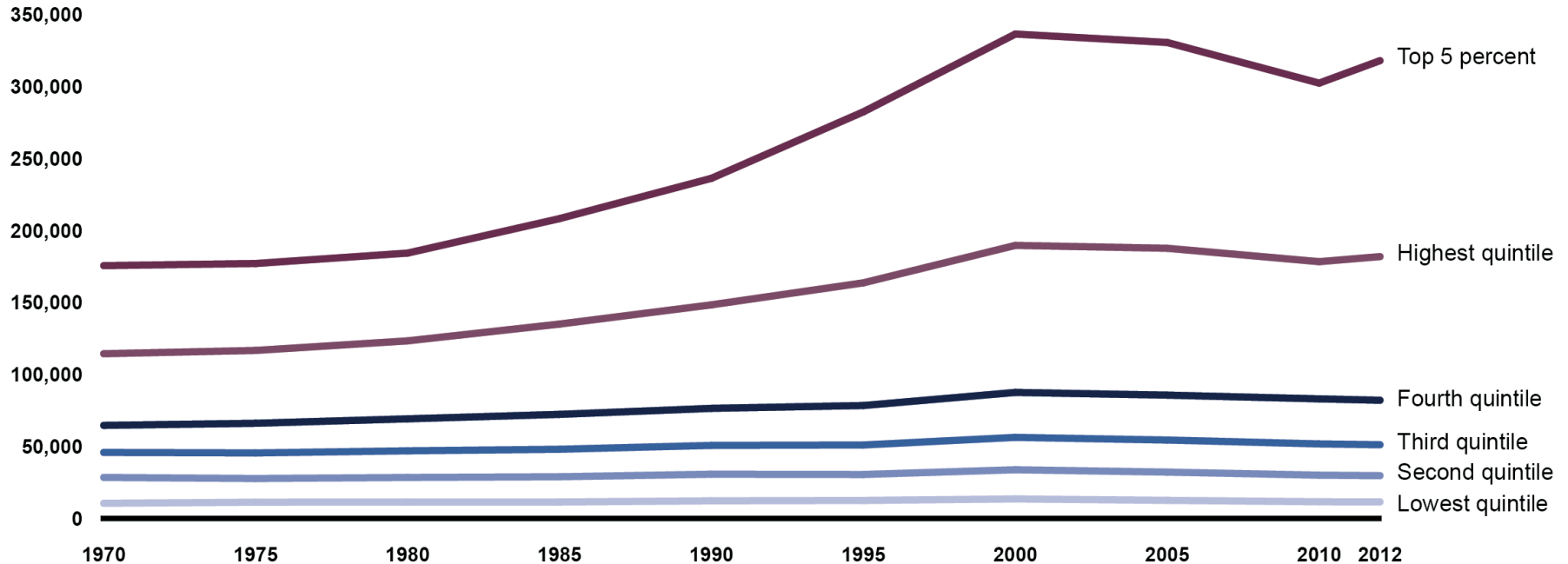


Source: GAO analysis of U.S. Census Bureau data.

Demographic and Societal Changes Confronting Young and Old

Mean Household Incomes, by Quintiles and Top 5 Percent

Average annual income (in 2012 dollars)



Source: GAO analysis of U.S. Census data (Current Population Survey, 1970 to 2012 Annual Social and Economic Supplements).

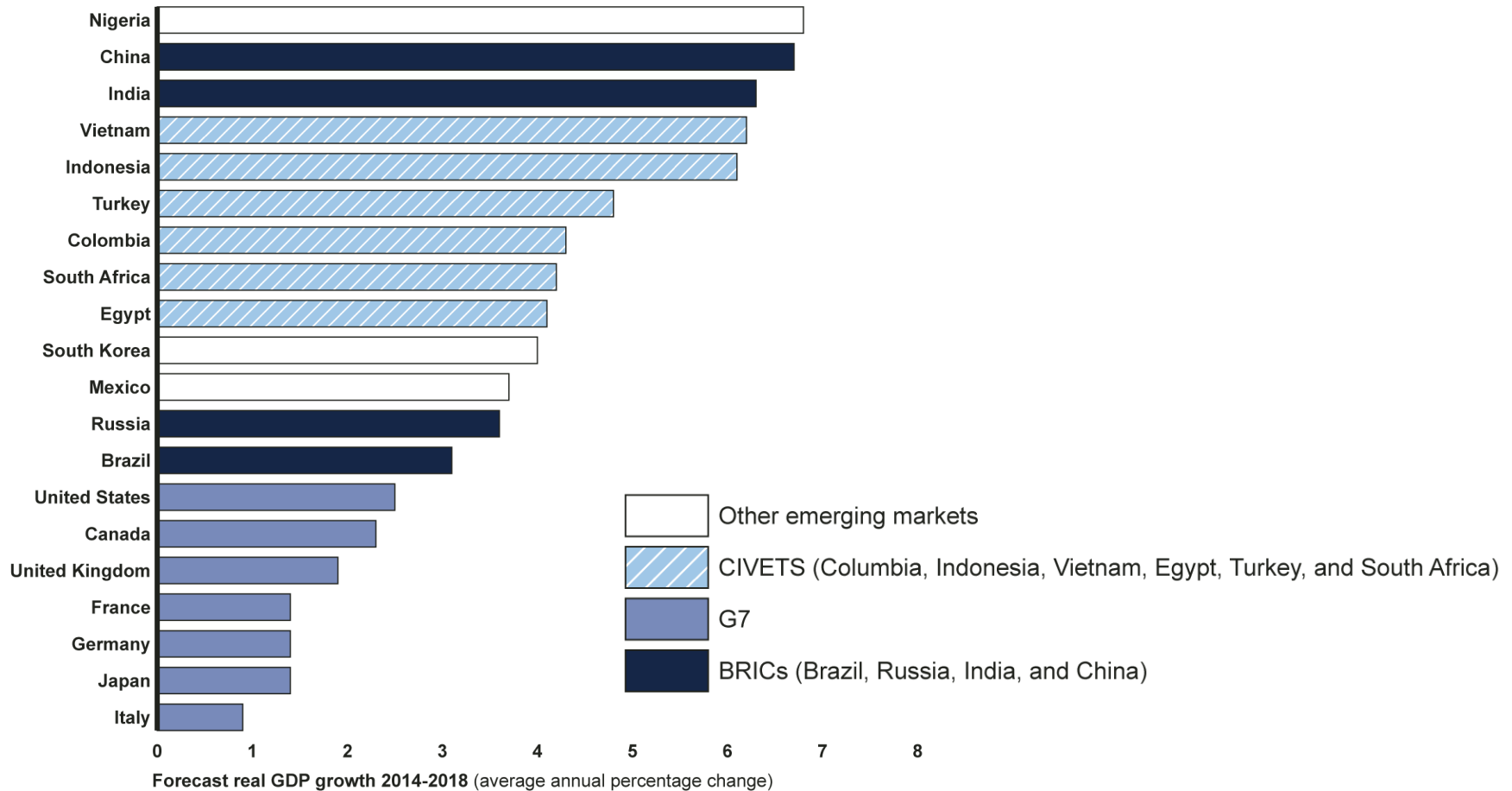
Demographic and Societal Changes Confronting Young and Old

Related GAO work

- Supporting **health care financing and reform efforts** through analyses of Medicare, Medicaid, and other health programs.
- Evaluating efforts to implement the **Patient Protection and Affordable Care Act**.
- Assess the policy and administrative challenges to providing **Social Security and other benefits** for older adults in retirement.
- Identify ways to improve programs that facilitate **job opportunities and skills** for workers, including veterans.
- Assess policy and administrative challenges to improving school readiness and **K-12 education**, and greater access, affordability, and completion of **postsecondary education**.
- Evaluating efforts to assist communities with **combating crime** and to manage the overcrowded **federal prison system**.

Trend: The Changing Dynamics of Global Interdependence & Multilateral Cooperation

Five Year Economic Growth Forecast for Select Countries



Source: GAO analysis of Economist Intelligence Unit data.

The Changing Dynamics of Global Interdependence & Multilateral Cooperation

Related GAO work

- Examining the implementation, progress, and efficacy of national & international **financial regulatory reforms** and efforts to create a more **stable financial system**, including work examining systemically important financial institutions.
- Evaluating threats to exploit **vulnerabilities across the global financial system**, including tax evasion, corruption, fraud, cyber attacks on financial institutions, and money laundering.
- Analyzing the effectiveness of U.S. government programs designed to protect **critical technologies**.
- Assessing efforts to preserve U.S. economic and national security interests as the **global supplier base** widens.
- Evaluating efforts to ensure a **safe food supply and medical products**.

The Changing Dynamics of Global Interdependence & Multilateral Cooperation

Related GAO work

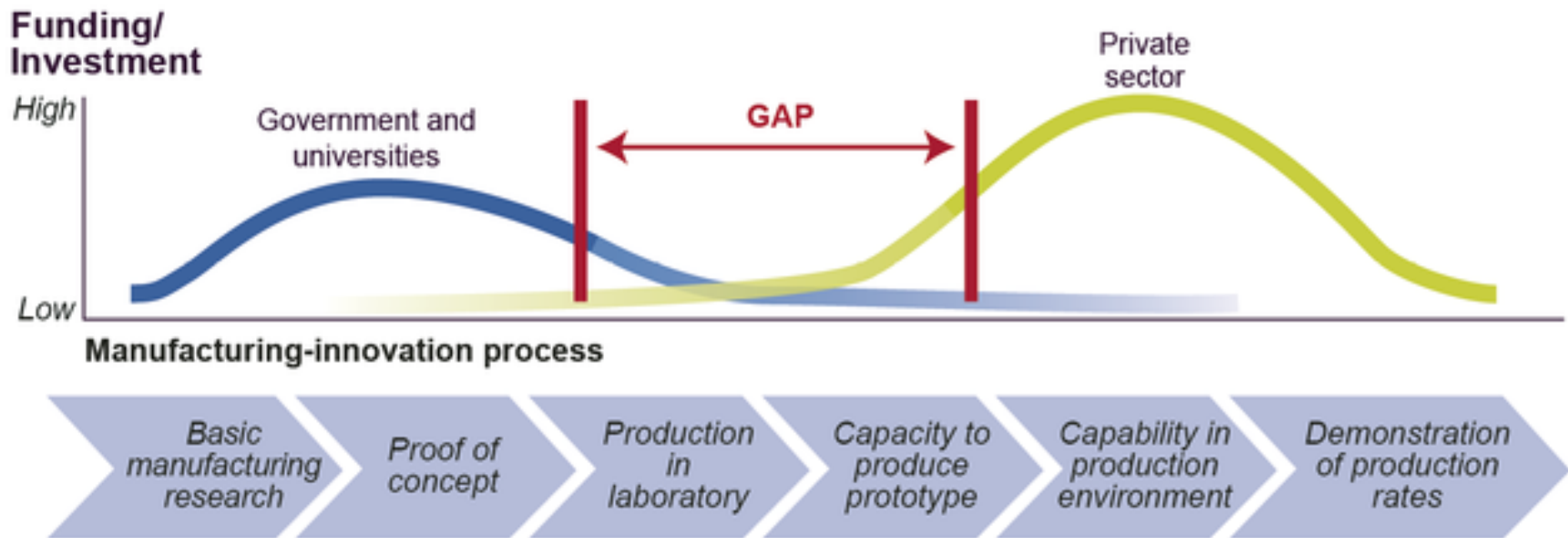
- Evaluating the effectiveness of federal programs to prevent, prepare for, and respond to **public health emergencies**.
- Evaluate U.S. government media programs to improve the **U.S. image abroad**.
- Assessing U.S. **export promotion** programs and other **trade-related jobs** creation activities.
- Analyzing **energy** market regulation, competition, and information.
- Evaluating U.S. efforts to address **unfair trade practices** and monitor and enforce the labor and environment provisions of recent international trade agreements.
- Assessing federal efforts to provide development and **humanitarian assistance**, including those to enhance international **food security**.

Trend: Advances in Science and Technology

- Emerging technologies:
 - Nanotechnology & manufacturing
 - 3-D printing
 - Synthetic biology
 - Unmanned aircraft systems
- Energy and natural resources nexus
- Science, technology, engineering and mathematics education

Advances in Science and Technology

Funding/Investment Gap: The “Missing Middle”



Source: GAO adapted from Executive Office of the President.

Advances in Science and Technology

Related GAO work

- Performing studies and technology assessments of S&T issues, such as **nanomanufacturing**, next generation **nuclear reactors**, **freshwater conservation**, national and homeland **defense systems**, and **additive manufacturing**.
- Enhancing the **security and privacy** of computer systems and networks supporting federal operations and **critical infrastructures**.
- Assessing the government's planning, implementation, and use of **information technology**, including **health IT**.
- Improving transparency and **governance of major IT projects**.
- Assessing the management and results of the **federal investment in science and technology** and the effectiveness of efforts to protect **intellectual property**.

On the Web

Web site: www.gao.gov/cghome/index.html

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