

**Table 15: Financial Literacy: List of Programs and Activities and Related Budgetary Information**

Agency	Program or activity	FY 2010 estimate for portion of program costs attributed to financial literacy activities <sup>a</sup>	Notes
<b>Financial literacy</b>			
Board of Governors of the Federal Reserve System	Division of Consumer and Community Affairs	\$1,029,885	Estimate of calendar year 2010 costs provided by agency staff
Consumer Financial Protection Bureau	Office of Financial Education and other offices	Not applicable	Agency had not yet been created at the beginning of FY 2010
Department of Agriculture	Family and Consumer Economics programs	8,433,500	Estimate of FY 2010 costs provided by agency staff
Department of Defense	Family Support Centers (including Financial Readiness Campaign)	Estimate pending <sup>b</sup>	
Department of Education	Excellence in Economic Education Program	1,447,000 <sup>c</sup>	FY 2010 obligations
	Financial Education for College Access and Success Program	1,700,000 <sup>c</sup>	FY 2010 obligations
Department of Health and Human Services	National Education and Resource Center on Women and Retirement Planning	245,763	FY 2010 obligations
Department of Labor	Retirement Savings Education Campaign	365,387	Estimate of FY 2010 costs provided by agency staff
	Wi\$eUp	170,000	Estimate of FY 2010 costs provided by agency staff
Department of the Treasury	Office of Financial Education and Financial Access (including staff support for the Financial Literacy and Education Commission, and other initiatives)	2,100,000	Estimate of FY 2010 costs provided by agency staff
Federal Deposit Insurance Corporation	Money Smart Financial Education Program	2,749,594	Estimate of FY 2010 costs provided by agency staff
Federal Trade Commission	Division of Consumer and Business Education	784,904	Estimate of FY 2010 costs provided by agency staff
Office of the Comptroller of the Currency	Consumer education activities	450,000 <sup>d</sup>	Estimate of FY 2010 costs provided by agency staff.
Securities and Exchange Commission	Office of Investor Education and Advocacy	2,000,000	Estimate of FY 2010 costs provided by agency staff
Social Security Administration	Financial Literacy Research Consortium	9,221,000 <sup>e</sup>	Estimate of FY 2010 costs provided by agency staff
<b>Total (Financial literacy activities)</b>		<b>\$30,697,033</b>	
<b>Housing Counseling and Foreclosure Mitigation<sup>f</sup></b>			
Department of Housing and Urban Development	Housing Counseling Assistance Program	\$65,420,000 <sup>g</sup>	FY 2010 obligations
Department of the Treasury	Financial Education and Counseling Pilot Program	4,150,000 <sup>h</sup>	FY 2010 appropriation
NeighborWorks America <sup>i</sup>	National Foreclosure Mitigation Counseling Program	65,000,000	FY 2010 obligations
	Other housing counseling activities	2,000,000	Estimate of FY 2010 costs provided by agency staff
<b>Total (Housing counseling and foreclosure mitigation activities)</b>		<b>\$136,570,000</b>	

Source: GAO analysis of federal financial literacy programs and activities.

---

<sup>a</sup>Cost estimates represent the portion of the program or activity related specifically to financial literacy and education, which in most cases included the estimated cost of staff time. However, because agencies may have used slightly different methods in estimating costs, dollar figures across agencies may not be fully comparable.

<sup>b</sup>As of February 1, 2012, we were still developing a cost estimate related to these activities and we expect to provide this estimate in a future report.

<sup>c</sup>The Excellence in Economic Education Program and the Financial Education for College Access and Success Program did not receive funding in fiscal year 2012.

<sup>d</sup>Represents midpoint of the staff estimate of costs as ranging from \$400,000-\$500,000.

<sup>e</sup>The Financial Literacy Research Consortium did not receive new funding after fiscal year 2010, according to agency staff.

<sup>f</sup>In addition to the agencies listed below, some programs of the Department of Defense and the Department of Veterans Affairs include some element of housing counseling.

<sup>g</sup>Program received no appropriation in fiscal year 2011. Fiscal year 2010 amount includes HUD grants to NeighborWorks America of \$1,250,501 for comprehensive counseling and \$500,000 for counseling under the Home Equity Conversion Mortgage program. These grants were separate from the congressional appropriations to Neighborworks cited below.

<sup>h</sup>The Financial Education and Counseling Pilot Program was not appropriated funds in fiscal years 2011 and 2012.

<sup>i</sup>NeighborWorks America is a federally chartered nonprofit corporation that receives an annual appropriation from Congress.

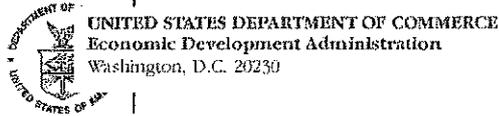
---

# Appendix IV: Agency Comments

---

For issues where information is being reported on for the first time in this report, we sought comments from the agencies involved, and incorporated those comments as appropriate. This appendix includes only those letters that agencies provided on official letterhead.

Note: This letter includes comments on Area 7: Support for Entrepreneurs.



February 14, 2012

William B. Shear  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Shear,

SUBJECT: GAO REPORT ON ECONOMIC DEVELOPMENT PROGRAMS (250610)

Effectively evaluating the Federal programs that support economic development requires a thorough understanding of not only the types of investments that are made, but how, why and to whom the investments are made. GAO has periodically issued several reports that analyzed potential overlap of federal economic development activities; however, these reports have all focused exclusively on the types of investments made without considering the goals of each of the programs. Without viewing Federal investments in economic development through this in-depth perspective, GAO may be incorrectly identifying duplication where none exists.

As the country prepares to address the mounting deficit and reevaluate its investments, GAO's new report could offer important information to inform future budget discussions; however, this interim report presents premature "Actions Needed" rather than conclusions informed by a robust analysis. For example, on page 4 of the interim report, GAO indicates that it "plans to determine what, if any, unique value some of these overlapping programs provide." However, later on in the report (within the "Actions Needed" section on page 6 and GAO's future plans outlined at the bottom of page 7), it does not appear that this critical component will be part of the scope of the current study, regardless of the fact that findings from such an analysis on the unique values of each program could impact the current study's conclusions. Additionally, on page 5 of the report, GAO notes the lack of consistent performance evaluations of agencies who provide "entrepreneurial" services, but does not note the significant advances EDA has taken with the development of its Performance Management Improvement logic model and implementation strategy, along with a third-party Research Design Study to support EDA's performance measurement improvement activities. GAO's report also misses the important work DOC has undertaken to create a Departmental Performance Working Group to facilitate best practices in performance evaluation across all DOC Bureaus.

EDA encourages GAO to reevaluate its approach with this interim report, and instead consider providing a status update which outlines the research question being examined, the methodology being conducted, and the project status. Further, EDA strongly encourages GAO to refrain from offering conclusions at this interim period until the research and analysis has been completed – including, as GAO cites on page 4, an analysis of the unique value of each program – and conclusions are substantiated by more robust data. We look forward to the final results of your study and further engaging with you on this important subject.

If you have any questions, please do not hesitate to contact Deborah Neff on 202-482-1252.

1401 CONSTITUTION AVENUE, NW  
ROOM 7009  
WASHINGTON, DC 20230

Note: This letter includes comments on Area 7: Support for Entrepreneurs.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20416-7000

OFFICE OF COMMUNITY PLANNING  
AND DEVELOPMENT

JAN 23 2012

Mr. William B. Shear  
Director, Financial Markets and  
Community Investments  
US Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Shear:

Thank you for the opportunity to provide comments on Draft 2012 Economic Development Duplication Report Template.

I. Overall Comments

HUD recommends that GAO reduce its count of economic development programs administered by HUD. Eight programs are listed under the heading of "CDBG" when, in fact, there are only three distinctive programs. A singular listing for CDBG should encompass the following "programs" listed individually by GAO:

- Entitlement Grants
- Insular Areas
- States
- Nonentitlement Communities in Hawaii
- Disaster Recovery Grants

HUD's reasoning is that the CDBG program is authorized by Title I of the Housing and Community Development Act of 1974 (42 USC 5301 et. seq.) and section 106 of Title I (42 USC 5306) splits amounts appropriated for CDBG purposes into formula grants to different types of governmental units. All annual CDBG formula funding is appropriated by Congress under the singular heading of the "Community Development Fund" (CDF), including supplemental appropriations provided for disaster recovery purposes, and are for activities authorized under Title I.

Regulations for each these "programs" are found in 24 CFR Part 570 and, in fact, multiple subparts of Part 570 are applicable to each "program." Thus, economic development activities carried out by CDBG grantees under these "programs" are all subject to the same basic set of statutory and regulatory requirements with funding from a single source within HUD's annual appropriation. HUD also uses a singular funding agreement (HUD Form 7082) to contractually make grants for each of these "programs."

While the CDBG "programs" may have separate Catalog of Federal Domestic Assistance (CFDA) numbers, they are effectively delivering funding from a singular source for the same purposes under the same requirements but to different types of governmental units. These

[www.hud.gov](http://www.hud.gov)

[espanol@hud.gov](mailto:espanol@hud.gov)

"programs" cannot overlap as a governmental unit receiving a CDBG formula allocation under one CDBG funding stream cannot obtain additional assistance under a different CDBG formula funding stream (excepting supplemental disaster recovery funds). For the above stated reasons, HUD recommends that GAO treat these "programs" a single entity under the CDBG label.

The second distinctive program is the Section 108 loan guarantee program. While it can be argued that Section 108 comes under the CDBG umbrella (authorized by Title I, regulations at Subpart M of 24 CFR Part 570, loan commitments made via HUD Form 7082) the form of assistance differs from the "programs" that HUD recommends placing under the CDBG umbrella (loan guarantee vs. grant funding). Section 108 also operates on a non-competitive application basis and thus does not have a formula allocation aspect as do the CDBG "programs." Further, credit subsidy appropriations and maximum commitment levels for Section 108 are provided under a heading outside the CDF. Given these facts, HUD believes it is correctly listed separate from the CDBG "programs."

The third distinctive program is the Indian CDBG program. While authorized by Title I and funded through the CDF, the program is administered by HUD's Office of Public and Indian Housing. Since the Indian CDBG program is administered by a different organization within HUD under a different set of regulations, it is correctly listed apart from the basic CDBG program administered by the Office of Community Planning and Development.

HUD also recommends that GAO eliminate the Brownfields Economic Development Initiative (BEDI) from the list of HUD's active economic development programs. HUD did not request funding nor did Congress appropriate BEDI funding in FYs 2011 and 2012. While HUD will continue to administer the existing BEDI grants, it is highly unlikely that any additional funding will be requested in FY 2013 or made available in the future. Further, BEDI activities can be funded with CDBG or Section 108 funding. As such, HUD views BEDI as having been "consolidated or eliminated" consistent with GAO's "Action 3" in Report GAO-11-318SP.

Adoption of HUD's analysis of the CDBG "programs" would require revisions throughout the GAO draft wherever there is a citation to the number of programs administered by HUD.

## II. Specific Comments

While the draft does not mention any specific HUD program other than in the attachment enumerating various programs, HUD offers the following comments:

Page 2 – What GAO Found – The discussion should highlight the fact that CDBG is different from virtually every other program included in the review. The block grant nature of CDBG permits grantees to design programs based on local needs and priorities to address a wide range of community development needs, including infrastructure, housing, public services as well as economic development. There is no requirement that funds be used for economic development purposes or to support entrepreneurial efforts unless local officials opt to use CDBG funds in this manner. This fact places CDBG in a significantly different context than the solely business-oriented programs that predominate the list of programs GAO is reviewing as part of this effort.

Page 5/paragraph 2 -- HUD notes its Office of Policy Development and Research contracted for an extensive study of the Section 108 loan guarantee program and that the final report will be issued in the spring of 2012.

Page 6/paragraph 1 -- While there have been a limited number of broad analytical evaluations of the CDBG program, HUD routinely evaluates CDBG grantee performance and compliance through monitoring. Further, HUD is undertaking a series of improvements to the Integrated Disbursement and Information System (IDIS) which will significantly upgrade HUD's ability to track grantee progress in implementing activities and to gather improved data with regard to performance. HUD expects to have these improvements in place in late 2012. Further, it should be noted that GAO is mandated by HUD's FY 2012 appropriation act to undertake a review of best practices within the CDBG program at to report back to Congress by late May 2012. HUD suggests that GAO focus a portion of this review upon best practices using CDBG funds for economic development purposes.

Page 6/Actions Needed/First bullet -- Again, CDBG is different from virtually every other program included in the review in that local officials have extensive discretion in the use of CDBG funds and only a small proportion of grantees opt to use CDBG funds for economic development and entrepreneurial efforts. Tying future CDBG funding levels to outcomes on the economic development/entrepreneurial activities misses the fact that use of CDBG funds for this purpose is determined by the grantees.

Page 6/Actions Needed/Second bullet -- HUD is working to improve its performance metrics by evaluating the data currently collected and anticipates adjusting these data points to reduce grantee reporting burden while simultaneously improving the quality and value of the data.

Page 6/Actions Needed/Third bullet -- While HUD agrees with GAO's observation that there should be better coordination of these programs across agencies, we must again point out that CDBG is different from other programs included in this review given the block grant nature of the funding stream. HUD makes no decisions with regard to the types of businesses targeted by grantees in the use of these funds and is not desirous of placing such restrictions on local decisions on uses of CDBG funding.

Again, thank you for the opportunity to provide these comments. If you have any questions regarding this letter, please contact me at (202) 708-2111.

Sincerely,



Yolanda Chávez  
Deputy Assistant Secretary  
for Grant Programs

Note: This letter includes comments on Area 14: Health Research Funding.



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, DC 20301-1200

HEALTH AFFAIRS

Ms. Linda Kohn  
Director, Health Care  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington DC 20333

JAN - 6 2012

Dear Ms. Kohn:

This is the Department of Defense (DoD) response to the GAO Draft Report, "HEALTH RESEARCH FUNDING: NIH, DoD and VA Can Improve Sharing of Information to Help Avoid Duplication," dated December 16, 2011 (GAO #290961).

The Department appreciates the opportunity to comment on this draft report and concurs with its findings. GAO's thoughtful discussion on this topic and the identification of possible ways to eliminate duplication of research efforts will add to discussion on this matter.

My point of contact on this subject is Dr. Terry Rauch, who can be reached at (703) 578-8503 or via e-mail at [Terry.Rauch@ha.osd.mil](mailto:Terry.Rauch@ha.osd.mil).

A handwritten signature in black ink, appearing to read "George Peach Taylor, Jr.", written over a horizontal line.

George Peach Taylor, Jr., M.D.  
Deputy Assistant Secretary of Defense  
Force Health Protection and Readiness

Note: This letter includes comments on Area 14: Health Research Funding.



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation  
Washington, DC 20201

Linda Kohn  
Director, Health Care  
U.S. Government Accountability Office  
441 G Street NW  
Washington, DC 20548

**JAN 09 2012**

Dear Ms. Kohn:

Attached are comments on the U.S. Government Accountability Office's (GAO) draft section on health research funding for your Fiscal Year 2012 Duplication Mandate report (GAO 12-342SP).

The Department appreciates the opportunity to review this draft section of the report prior to publication.

Sincerely,

A handwritten signature in cursive script that reads "Jim R. Esquea".

Jim R. Esquea  
Assistant Secretary for Legislation

Attachment

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT SECTION ON HEALTH RESEARCH FUNDING OF THE GAO FISCAL YEAR 2012 DUPLICATION MANDATE REPORT (GAO-12-342SP)**

The Department appreciates the opportunity to review and comments on this draft section of the FY12 Duplication Mandate report.

**GAO Summary of Actions Needed**

*While NIH, DOD, and VA take steps to check for duplication in the health research they fund, the agencies have opportunities to improve sharing of information needed to evaluate research for potential duplication when making funding decisions. In order to do so, NIH, DOD and VA should determine ways to improve the comprehensiveness of information on funded health research shared among agency officials and improve the ability of agency officials to identify possible duplication. For example:*

- *NIH, DOD and VA could collaborate to allow for more efficient, comprehensive searches to identify duplication, by, for example, increasing commonalities among their respective databases, such as more details on the aims and methodology of applications that may be useful to program managers evaluating applications for duplication; and ensuring contact information for agency officials associated with specific applications is made available in their respective databases, if possible.*
- *NIH, DOD and VA could provide program managers with information to help them identify when they receive similar applications and to monitor the funding status of these applications, such as which applications receive funding, and which are modified during the funding process.*

**National Institutes of Health (NIH) Response**

GAO suggested that NIH, DOD, and VA provide program managers with information to help them identify when they receive similar applications and to monitor the funding status of these applications, such as which applications receive funding and which are modified during the funding process. NIH has extensive policies in place concerning monitoring and managing potential overlap in funding. Management of potential overlap is a critical responsibility of NIH staff, including grants management, program, and staff in the Center for Scientific Review. Further, NIH's comprehensive internal database—Information for Management, Planning, Analysis, and Coordination (IMPAC)—provides information systems to support the full life cycle of grants administration and is the source of comprehensive information related to NIH grants management and administration, including detailed funding data. NIH's comprehensive database, together with strong policy guidance, provides an infrastructure to support successful identification of potential duplication of funding.

**NIH Policy and Guidance**

NIH addresses any type of overlap—whether it is scientific, budgetary, or commitment of effort—prior to the issuance of a Notice of Grant Award. It is the responsibility of program and grants management staff routinely to review Other Support documentation (which includes all financial resources whether Federal, non-Federal, commercial, or organizational, available in direct support of an individual's research endeavors, including but not limited to research grants, cooperative agreements, contracts, or organizational awards, but not training awards, prizes, or

1

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT SECTION ON HEALTH RESEARCH FUNDING OF THE GAO FISCAL YEAR 2012 DUPLICATION MANDATE REPORT (GAO-12-342SP)**

gifts) to determine if there is budgetary, scientific, or commitment overlap. The Other Support information helps meet the goal of identifying and eliminating overlap to ensure there is no duplication of funding for scientific aims. NIH has long-standing policies and procedures in place on the topic of Other Support and overlap for extramural staff as well as for grantees.

*Pre-Award Review*

NIH policy requires that if the research plan in the pending application is identical to either other pending applications or an active award, the Principal Investigator/Program Director (PI/PD) must negotiate with NIH staff concerning which grant will be funded. If there is partial duplication, the pending application, other applications, or the active award will be modified prior to NIH's funding the pending application. Depending upon the amount of scientific overlap, NIH may choose not to fund the pending application.

When resolving any question of overlap, program and grants management staffs coordinate their efforts to collect pertinent information and make determinations. Based on additional information received from the PI/PD, program and grants management staff will determine the appropriate action and decide whether budgetary adjustments are needed. In order to make these determinations, staff must consult, as necessary, with other funding components within NIH, other Government agencies, or private organizations to resolve questions of overlap.

In addition to the submission of Other Support, the application instructions require the applicant to indicate whether his/her application has been sent to other agencies, outside of the Public Health Service (PHS), and include on the cover of the application to which agencies the application has been submitted. This information is part of every electronic application. It is also important to note that the NIH Grants Policy Statement (10/2011), which is a term and condition of all NIH grant awards, and the application instructions contain NIH's policy on similar, essentially identical, or identical applications.

Submissions of identical applications to one or more components of the PHS are not allowed, and the NIH will not accept similar grant applications with essentially the same research focus from the same applicant organization. This includes derivative or multiple applications that propose to develop a single product, process, or service that, with non-substantive modifications, can be applied to a variety of purposes. Likewise, identical or essentially identical grant applications submitted by different applicant organizations will not be accepted. Applicant organizations should ascertain and assure that the materials they are submitting on behalf of the principal investigator are the original work of the principal investigator and have not been used elsewhere in the preparation and submission of a similar grant application. Applications to the NIH are grouped by scientific discipline for review by individual Scientific Review Groups and not by disease or disease state. The reviewers can thus easily identify multiple grant applications for essentially the same project. In these cases, application processing may be delayed or the application(s) may not be reviewed.

Essentially identical applications will not be reviewed except for those of: 1) individuals submitting an application for an Independent Scientist Award (K02) proposing essentially

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT SECTION ON HEALTH RESEARCH FUNDING OF THE GAO FISCAL YEAR 2012 DUPLICATION MANDATE REPORT (GAO-12-342SP)**

identical research in an application for an individual research project; and 2) individuals submitting an individual research project identical to a subproject that is part of a program project or center grant application.

*Post-Award Monitoring*

To assist with monitoring awards in the post-award stage, the PI/PPD is required to report any substantial changes in Other Support or other overlap issues in the noncompeting application. Any overlap issues are required to be addressed by NIH Grants and Program Staff prior to the issuance of the next funding increment.

*Database Information Available*

The NIH and the VA staff currently have a number of resources available to examine details of existing funding when evaluating overlap. Program staff from other agencies can obtain and share information through discussion by telephone and email. In an electronic setting, the NIH and the VA staff have access to an eRA module called QVR (for Query/View/Report). This system provides extensive data about funded grants and unfunded grant applications and is a module within the IMPAC comprehensive internal database. IMPAC is the database used extensively by NIH grants and program staff to obtain and manage detailed information used for funding decisions, among other things. The information available far exceeds the data that is available through the public Web sites such as RePORTER. By contrast, the RePORTER tool was developed to provide the public with information on NIH-supported research projects and was not designed to be a sole source of information on which to base funding decisions. Not only are PIs/PPDs easily identified using QVR, but also their complete grant application/award history and data about their individual grants (including aims and methodologies) are immediately available. Additionally, the Federal grant-processing staff can identify grants that deal with similar areas of science. This capability is built upon the Research, Condition, and Disease Categorization<sup>1</sup> (RCDC) data that provides scientific "fingerprints" of grants and is much more effective at identifying similar projects than a simple keyword search. The QVR system clearly provides the tools and information needed to detect potentially duplicative grants.

NIH makes the QVR facility available to other Federal agencies, contingent upon acceptance of the formal data access agreement. In fact, the VA currently uses NIH eRA systems for some of their applications and grants. The DOD staff may request access to QVR and may also obtain training in the use of QVR by contacting the eRA Program Manager.

Since NIH is an acceptable grant processing site under the Grants Management Line of Business (GMLoB) initiative, other agencies may wish to discuss using the NIH system (and database) for processing their research grants. If other agencies, like the VA, used the NIH system, identifying potential grant overlap would be a straightforward process.

<sup>1</sup> Further information on the Research, Condition, and Disease Categorization process is available at: <http://report.nih.gov/rcdc/>. RCDC is a computerized process the NIH uses at the end of each fiscal year to sort and report the amount it funded in each of 229 historically reported categories of disease, condition, or research area. Since January 2009, RCDC reports have been available from the NIH's RePORT site.

Note: This letter includes comments on Area 23: Space Launch Contract Costs.

National Aeronautics and Space Administration  
Headquarters  
Washington, DC 20546-0001



February 1, 2012

Reply to Airtel of: Human Exploration and Operations Mission Directorate

Ms. Cristina Chaplain  
Director  
Acquisition and Sourcing Management  
United States Government Accountability Office  
Washington, DC 20548

Dear Ms. Chaplain:

The National Aeronautics and Space Administration (NASA) appreciates the opportunity to review and comment on the Government Accountability Office (GAO) draft report entitled, "Space Launch Services" (GAO Job Code 12105).

We concur that the goal of improving efficiency and maximizing the government's buying power for Evolved Expendable Launch Vehicle (EELV) intermediate launch vehicles is worthy, and we believe that we are working with our Air Force and National Reconnaissance Office colleagues in such a way to achieve this goal, while still allowing each Agency to perform its assigned space-related responsibilities.

In the draft report, the GAO recommends that the Office of Management and Budget (OMB) pursue the following:

- Assess the potential to consolidate the DOD and NASA acquisition processes for awarding contracts and providing mission assurance with an eye toward ensuring that launch prices are competitive for all U.S. Government customers and that the government is not paying twice for overhead costs under separate contracts.

In our view, "consolidation" is not viable due to the assigned responsibilities of each Agency. NASA's unique responsibilities include the development and launch of payloads ranging from the small and simple to the large and very complex, with missions that support our planet, as well as those that travel to other planets in our solar system and beyond. Typically, the complexities for the NASA payloads that need to fly on an intermediate launch vehicle like the EELV Atlas V are immense requiring a large amount of involvement by a knowledgeable, experienced Agency mission team to work with the commercial launch service provider in order to maximize the probability for mission success.

Instead of emphasizing "consolidation," we propose that the GAO revise its recommendation(s) to OMB as follows:

- Assess the potential to ensure formal coordination of the DOD and NASA acquisition processes for awarding EELV launch service contracts with an eye toward ensuring that the launch service is acquired such that best value is provided to the U.S. Government.
- Develop a way to ensure that the government is not paying twice for launch overhead costs through the separate acquisition processes.

We believe that formalizing the need to coordinate our acquisition processes will not only provide the opportunity to improve efficiency and maximize the government's buying power for EELV intermediate launch vehicles, but it can also provide a means for increasing the opportunities for commercial launch service competition and improve its value to the nation.

Again, thank you for the opportunity to comment on this draft report. If you have any questions please contact Jim Norman at (202) 358-0905.

Sincerely,



William H. Gerstenmaier  
Associate Administrator  
For Human Exploration and Operations

Note: This letter includes comments on Area 29: Early Learning and Child Care.



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation  
Washington, DC 20201

JAN 30 2012

Kay Brown  
Director, Education, Workforce, and Income Security Issues  
U.S. Government Accountability Office  
441 G Street NW  
Washington, DC 20548

Dear Ms. Brown:

Attached are comments on the U.S. Government Accountability Office's (GAO) draft section on early education and child care for your Fiscal Year 2012 Duplication Mandate report (GAO 12-342SP).

The Department appreciates the opportunity to review this draft section of the report prior to publication.

Sincerely,

A handwritten signature in cursive script that reads "Jim R. Esquea".

Jim R. Esquea  
Assistant Secretary for Legislation

Attachment

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT SECTION ON EARLY EDUCATION AND CHILD CARE OF THE GAO FISCAL YEAR 2012 DUPLICATION MANDATE REPORT (GAO-12-342SP)**

The Department appreciates the opportunity to review and comment on this draft section of the FY12 Duplication Mandate report.

**GAO Summary of Actions Needed**

*As the principal administrators of the federal government's early learning and child care programs, and consistent with Education's and HHS' identification of early learning access and quality as priorities, Education and HHS should deepen and extend their ongoing coordination efforts by establishing an inter-departmental workgroup that includes all the federal agencies that have early learning and child care programs. Using the GPRAMA framework, workgroup goals could include mitigating the effects of program fragmentation (for example, through simplifying children's access to these services), identifying and managing service gaps, meeting data requirements for the coordinated operation and evaluation of these programs, and identifying and minimizing any unwarranted overlap. These efforts could also provide a vehicle to conduct a coordinated analysis of child care tax expenditures and program spending.*

**Administration for Children and Families (ACF) Response**

ACF acknowledges GAO's recommendation and agrees with the importance of program coordination across Early Education and Child Care in order to meet the needs of children and families.

Cross-program coordination to ensure that children have access to high quality Early Learning and Child Care (ELCC) programs has been a priority and key focus for the Administration. Over the last three years, ACF has developed and implemented an integrated early childhood unit under the leadership of the Office of the Deputy Assistant Secretary for Early Childhood Development, which has become the focal point within HHS for early childhood activities at the Federal level. Within this structure, the Administration has taken several steps to improve coordination between the Office of Child Care (OCC) and Office of Head Start (OHS), such as:

- Establishing the National Center on Child Care Professional Systems and Workforce Initiatives, which is funded by both the OCC and the OHS; and
- Implementing the Early Head Start for Family Child Care Demonstration Project that was jointly coordinated by the OCC and the OHS to demonstrate and evaluate models of collaboration.

While the GAO report recognizes that Head Start (HS) and the Child Care and Development Fund (CCDF) vary in structure, administration, and regulation, ACF believes the report fails to fully explore how these variations lead Head Start and CCDF to provide complementary services, not duplicative ones. For example, many HS programs only provide part-day services that may not cover the full time a parent is at work and in need of child care. Therefore, many families rely on child care for early childhood education and afterschool care. In addition, some low-income children benefit from a combination of both programs to create high quality full-day, full-year care. The OCC and the OHS have worked together to encourage collaboration at the grantee level in a variety of ways, including issuing guidance on aligning eligibility policies and providing technical assistance on aligning both programs at the State and community levels to help more low-income children access high quality early learning.

1

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT SECTION ON EARLY EDUCATION AND CHILD CARE OF THE GAO FISCAL YEAR 2012 DUPLICATION MANDATE REPORT (GAO-12-342SP)**

The GAO report expresses concern about the way many overlapping programs may impact service delivery for families trying to access early care and education services. ACF believes the report fails to take into account how States administer programs. Some of the largest Federal funding sources for Early Care and Education (ECC)—including the CCDF, Temporary Assistance for Needy Families (TANF), and the Social Services Block Grant (SSBG)—are block grants. Many States choose to jointly administer these flexible funding streams under one set of rules, often in coordination with other State and local funding. Therefore, in reality, from the perspective of service delivery for children and families, the block grant programs are not separate programs, but rather funding streams that are integrated together to provide services. The ACF supports this integration through technical assistance and program guidance. For example, the CCDF program allows States to submit required data reports on children that receive services funded by a pool of multiple funding streams, rather than requiring States to segregate funding or reporting.

Additionally, some ELCC programs target very specific populations or child care facilities minimizing overlap of programs. For example, the General Services Administration's (GSA) Child Care Program helps federal workers gain access to work place child care facilities. Also, Education's Child Care Access Means Parents in School funds campus-based child care programs primarily serving the needs of low-income students enrolled in institutions of higher education.

ACF believes that the report does not adequately explain the distinction between federally funded ELCC programs and federally funded programs that permit the use of funds for the provision of child care. Many programs included in the GAO report do not direct and implement policies related to ELCC. For example, the Workforce Investment Act Adult and Dislocated Workers Program administered by the Department of Labor is designed to provide employment and training services to eligible individuals in finding and qualifying for meaningful employment. The program does potentially fund child care, but child care is only one of many "supportive services" that are provided under certain circumstances to allow an individual to participate in the program. This is not an ELCC program; it is a job training program that may support participants by providing funding to cover child care expenses.

ACF appreciates that the report references many of the Administration's interagency and interdepartmental efforts to coordinate federally funded ECC programs. However, we would like to provide a fuller account of some of the progress that has been made:

- **Race to the Top-Early Learning Challenge:** The Race to the Top-Early Learning Challenge (RTT-ELC), jointly administered by Education and HHS provided approximately \$500 million in FY 2011 to fund a major competition in support of bold and comprehensive State plans for reforming early learning and development programs to close the school readiness gap.

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT SECTION ON EARLY EDUCATION AND CHILD CARE OF THE GAO FISCAL YEAR 2012 DUPLICATION MANDATE REPORT (GAO-12-342SP)**

The RTT-ELC will support the work of nine state grantees to develop new approaches to raising the bar across early learning centers and to close the school readiness gap. Awards will invest in grantees' work to build statewide systems of high-quality early learning and development programs. These investments will impact all early learning programs, including HS, public pre-K, child care, and private preschools. Key reforms will include: aligning and raising standards for existing early learning and development programs; improving training and support for the early learning workforce through evidence-based practices; and building robust evaluation systems that promote effective practices and programs to help parents make informed decisions.

- **State Advisory Councils on Early Childhood Education and Care:** The Improving Head Start for School Readiness Act of 2007 required that the Governor of each State designate or establish a council to serve as the State Advisory Council on Early Childhood Education and Care (ECEC) for children from birth to school entry. The State Advisory Councils will lead the development or enhancement of a high quality, comprehensive system of ECEC that ensures statewide coordination and collaboration among the wide range of early childhood programs and services in the State, including child care, Head Start, IDEA preschool and infants and families programs, and pre-kindergarten programs and services. The State Advisory Councils will play a key role in advancing the goal of integrated services to young children and families while promoting school preparedness of children from birth through school entry. The ACF awarded \$100 million of the American Recovery Reinvestment Act funding earmarked for State Advisory Councils to 45 States, DC, PR, VI, Guam, and American Samoa.
- **ACF/ Child and Adult Care Food Program (CACFP) Workgroup:** Convened by the Office of Management and Budget (OMB), the ACF/CACFP Workgroup brings together staff from the Food and Nutrition Services (FNS), the OCC, and the OHS to discuss possible collaboration around the Child and Adult Care Food Program. The workgroup has identified the following areas of collaboration: sharing the National Disqualified List, joint information memorandums on collaboration at the State and local level, and improving Tribal participation in the CACFP.
- **Early Learning Interagency Policy Board:** The Secretaries of Education and HHS established the Early Learning Interagency Policy Board to improve the quality of early learning programs and outcomes for young children; increase the coordination of research, technical assistance and data systems; and advance the effectiveness of the early learning workforce among the major federally funded early learning programs across Education and HHS.
- **Military Family Federal Interagency Collaboration:** The OHS and the OCC are working with the Department of Defense as part of the Military Family Federal Interagency Collaboration. The collaborative effort is focused on increasing the availability and quality of child care in 13 States for military families, especially those families not near military bases

**GENERAL COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S (GAO) DRAFT SECTION ON EARLY EDUCATION AND CHILD CARE OF THE GAO FISCAL YEAR 2012 DUPLICATION MANDATE REPORT (GAO-12-342SP)**

or not having easy access to other military child care supports. The Military Child Care subcommittee, as part of the overall collaboration, has identified the strategic goals of

- (1) improving access to quality child care programs by increasing the level of quality;
- (2) improving the awareness of quality indicators and their importance for creating and maintaining safe and healthy environments for children;
- (3) improving the communication between various partners and agencies to ensure limited resources are used effectively.

Note: This letter includes comments on Area 30: Employment for People with Disabilities.

U.S. Department of Labor

Office of the Assistant  
Secretary for Policy  
Washington, D.C. 20210



JAN 20 2012

Daniel Bertoni  
Director Education, Workforce, and Income Security Issues  
U.S. Government Accountability Office  
441 G Street N.W.  
Washington, D.C. 20548

Dear Mr. Bertoni:

On behalf of the U.S. Department of Labor (Department), I want to thank you for the opportunity to review and comment on the Government Accountability Office's (GAO) draft language that will be included in GAO's Fiscal Year 2012 Duplication Mandate. We are concerned about the GAO's general statement that finds duplication and fragmentation within the programs it examined without providing a more detailed explanation of that determination. We respectfully recommend that the GAO reconsider and refine its findings to better reflect the information in this letter and its enclosure.

Ensuring programmatic and physical access for individuals with disabilities throughout the Department's programs is an ongoing priority. In the report, GAO notes that over the years many programs have been created to address issues related to the employment of people with disabilities. However, several of the Department's programs included in the study (e.g., the Workforce Investment Act of 1998 (WIA) Youth Formula Program, Job Corps, YouthBuild, and the Local Veterans Employment Representative) were not created for this purpose. The majority of people served by these programs are not people with disabilities. We are proud that the Department has made great strides in accessibility and that employment and training programs administered by the Department serve people with disabilities along side their peers. Rather than being seen as duplicative or undesirable, we believe that such inclusion is an important operational achievement and that service integration is consistent with what Congress envisioned in enacting our nation's disability civil rights laws.

GAO also appears to assume that those with disabilities are a homogeneous group and that one program could address their needs. The reality is that people with disabilities are a diverse population and as multidimensional as those without disabilities. GAO may not have given adequate consideration to the fact that while all of the programs in the study provide services related to employment of people with disabilities, the actual services provided, program design used, and the populations served, vary significantly. For example, while our youth programs (e.g., WIA Youth Formula Program, Job Corps,

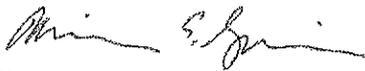
and YouthBuild) may provide some similar services, each program has distinct models and target populations and are more accurately described as complementary rather than overlapping. As a specific example, the Department's Workforce Recruitment Program helps place higher education graduates with disabilities in internships and employment, while the Department's Job Corps program provides low-income youth with the academic, career technical, and social skills training needed to enter the workforce, join the military, or enroll in higher education.

The Department is committed to bringing about better alignment of Federal investments in job training; improving models to deliver quality services across programs at lower costs; and providing relevant workforce and labor market information to jobseekers, employers, and others. The Department also is committed to working with its Federal agency partners on a variety of efforts in order to better respond to the current and future needs of our workforce and to leverage resources to help individuals, including those with disabilities, find and keep good jobs. Through participation in numerous federal workgroups, the Department has collaborated for many years with the U.S. Departments of Health and Human Services, Education, Transportation, the Social Security Administration and a number of other Federal agencies to streamline and strengthen the coordination of various programs and services. While we agree that it is important to minimize duplication and maximize efficiency, the Department wants to emphasize that some overlap between programs is necessary and appropriate to ensure that all participants receive comprehensive employment and training services. We believe that a coherent public workforce system does not necessarily mean a single program, supplier, or agency. Our goal is a rational system whose elements fit together logically, with minimal duplication, and provide ready and seamless access to services for jobseekers, including individuals with disabilities, looking for good jobs, and employers looking for job-ready skilled workers.

We will also be sending you the Department's comments on the draft language that will be included in GAO's Fiscal Year 2012 Duplication Mandate. This will include information about some of the Department's programs. If you would like additional information, please do not hesitate to call me at 202-693-5959. The Department would also be available to meet with GAO to discuss this letter and enclosure.

The Department appreciates the work being done by GAO to improve efficiency in government. We also believe great progress has been made over the years within the Department. As our nation rises to meet the current fiscal challenges, please be assured that we will continue to work closely with GAO to maximize our nation's resources.

Sincerely,



William E. Spriggs  
Assistant Secretary for Policy

Note: This letter includes comments on Area 31: Science, Technology, Engineering, and Mathematics Education.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF SCIENCE AND TECHNOLOGY POLICY  
WASHINGTON, D.C. 20502

George A. Scott, Director  
Education, Workforce, and Income Security Issues  
Government Accountability Office  
Washington, DC 20548

The Office of Science and Technology Policy (OSTP) appreciates the opportunity to comment on the STEM education section of the GAO's 2012 Duplication Mandate report. We generally agree with the GAO's careful review of Federal STEM education programs. In December 2011, the National Science and Technology Council's (NSTC) Committee on STEM Education (CoSTEM) also released an inventory of Federal spending on STEM education,<sup>1</sup> which includes an analysis of overlap, redundancy, and fragmentation. The generally consistent findings in our respective inventories validate the quality of each effort and provide policy makers and STEM education stakeholders with an unprecedentedly clear picture of how the Federal government supports STEM education.

The OSTP does, however, have some concerns about the GAO analysis of overlap and redundancy among Federal STEM education programs. The GAO and NSTC analyses of overlap both used the same definition of "overlap," and both found that more than 80 percent of programs overlapped with at least one other program. The results reported by the GAO<sup>2</sup>, however, have been interpreted by some to indicate a "significant degree"<sup>3</sup> of overlap, while we believe that—given the technical definition of "overlap" used in these reports—it would be more accurate to conclude, as the NSTC report did, that there is a relatively modest degree of overlap.

Under the definition used, two programs were considered "overlapping" if they had the same primary objective and had in common at least one audience, STEM field, and product or activity. Under this definition, two programs that are quite different but share even one element in each of those categories are counted as overlapping. For example, a program that provides internships and curricular material about nuclear reactors for engineering students in their final year of college would be considered "overlapping" with a program that provides curricular material spanning the full range of STEM subjects for students in grades K-20 because they would share the same primary objective ("learning") and would share audience, activity, and field (since the college program represents a subset of the K-20 program in scope). But to call these two programs "overlapping" in the sense of being quite similar would be misleading. Indeed, in the NSTC analysis, every instance of overlap involved programs that had at least some—and in some cases many—program characteristics that differed greatly. As an illustration of the problems that can arise in this situation, consider that the two programs above would still be considered "overlapping" even if one of them worked exclusively with students in inner-city

<sup>1</sup> [http://www.whitehouse.gov/sites/default/files/microsites/ostp/costem\\_federal\\_stem\\_education\\_portfolio\\_report.pdf](http://www.whitehouse.gov/sites/default/files/microsites/ostp/costem_federal_stem_education_portfolio_report.pdf)

<sup>2</sup> <http://gao.gov/products/GAO-12-108>

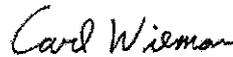
<sup>3</sup> <http://edworkforce.house.gov/News/DocumentSingle.aspx?DocumentID=276133>

New York and the other worked only with students in rural North Dakota, because geographic region is not one of the program characteristics included in the technical definition of "overlap."

The NSTC report carried out an examination of the degree and nature of similarity between each pair of "overlapping" programs and concluded that there was a wide range in the degree of overlap. In addition, the NSTC report indicates that, "the implications of pairs of overlapping investments on policy decisions would be minimal, because each pair only represents two investments with similar characteristics." Further, a rigorous analysis by the NSTC revealed that there were no duplicative programs. By contrast, the GAO report—which did not include an analysis of duplication—states only that pairs of overlapping programs are not necessarily duplicative. OSTP recommends that the GAO, in its final report, cite the more detailed findings of the NSTC analysis to avoid misinterpretation of the GAO's findings.

Four recommendations for OSTP are included in the GAO report. OSTP will address these recommendations in the NSTC 5-Year Federal STEM Education Strategic Plan. The Strategic Plan, to be released in spring 2012, will provide evaluation guidance, describe how each agency's STEM education programs contribute to the Strategic Plan, and outline a process for tracking the implementation and impact of the Strategic Plan. The Strategic Plan will also provide guidance for ensuring efficient and effective use of Federal funds for STEM education programs. This will involve a review of program effectiveness, duplication, overlap, and fragmentation, as well as other relevant information. While the GAO recommends the NSTC consolidate or eliminate programs as the only two options for increasing efficiency and effectiveness of Federal STEM education spending, the NSTC intends to consider these two strategies along with a range of other strategies (e.g., strategic alignment of program goals, joint solicitations, improved program design and execution, and memoranda of understanding).

Sincerely,



Carl Wieman  
Associate Director for Science  
Office of Science and Technology Policy

Note: This letter includes  
comments on Area 32:  
Financial Literacy.



1801 L Street NW, Washington, DC 20036

Ms. Alicia Cackley  
Director  
Financial Markets and Community Investment  
Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Cackley:

This letter responds to the request by the Government Accountability Office ("GAO") that the Consumer Financial Protection Bureau (the "Bureau" or the "CFPB") comment on the 2012 Annual Report: Opportunities to Reduce Duplication, Overlap, and Fragmentation, Achieve Savings, and Enhance Revenue, GAO-12-34SP. We appreciate the work done by the Comptroller General and the GAO to focus attention on this issue of critical importance to working families.

We welcome the opportunity to provide comments pertaining to the activities of the CFPB's Offices of Financial Education, Servicemember Affairs, and Financial Protection for Older Americans.

As you know, the CFPB is the only federal agency whose primary focus and mandate is the protection and education of the American financial consumer. The Bureau's statutory function to provide consumers with accessible information about financial products, services, and decisions creates an enormous opportunity to reach consumers at the right moment with targeted information that can increase their financial management skills and money confidence.

We agree with your statement "that there is little evidence of duplication among existing federal financial literacy activities." Federal agencies involved in financial education have different missions, regulatory authorities, constituencies, and expertise.

Our Financial Education, Servicemember Affairs, and Older Americans offices have pursued initiatives that advance financial education opportunities for American families in a manner that leverages, complements, and coordinates with federal efforts already underway.

[consumerfinance.gov](http://consumerfinance.gov)

For example, the Office of Financial Education is engaged in ongoing efforts with Financial Literacy and Education Commission (FLEC) partners to implement the FLEC National Strategy, to delineate roles and responsibilities, to improve coordination, and avoid duplication while working to execute on our statutorily mandated responsibilities to educate and empower consumers to make informed financial decisions. As part of our efforts to collaborate across agencies, the OFE also meets regularly with Department of the Treasury staff members in the Office of Financial Education and Financial Access to coordinate and leverage our respective activities.

The Office of Servicemember Affairs, under the leadership of Holly Petraeus, is working in partnership with the Department of Defense (DoD) to ensure that military personnel and families receive the financial education they need to make financial decisions best suited to their particular circumstances. A key component of the Office of Servicemember Affairs' direction is to identify opportunities to make improvements on existing efforts and to avoid duplication across agencies.

Office of Servicemember Affairs staff members meet regularly with Department of Defense officials. In particular, the Office of Servicemember Affairs has identified a significant opportunity to provide financial education training for Delayed Entry Program participants, a population that falls outside existing DoD financial literacy efforts.

Office of Servicemember Affairs staff have also observed financial education classes offered to new recruits and personnel undergoing their first advanced training at select Army, Marine Corps, and Navy sites as part of an ongoing effort to fulfill the Office of Servicemember Affairs' statutory mandate of ensuring that members of the military have a strong financial education. Recommended changes or modifications will be made to improve existing program performance. In addition, the Office of Servicemember Affairs helps to coordinate efforts among the Federal agencies and the States to improve consumer financial protection for military families.

The CFPB's Office of Financial Protection for Older Americans functions to protect consumers aged 62 or older from unfair, deceptive, and abusive practices in the provision of financial products and services to older

Americans. The Office will develop financial literacy goals for programs that assist seniors with one-on-one financial counseling, consumer credit advocacy, and recognizing the warning signs of unsafe financial practices. The Office for Older Americans will also conduct research to identify best practices for seniors' personal financial management. This research will cover topics such as long-term savings, and planning for retirement and long-term care. To achieve these goals in an effective and efficient manner, the Office for Older Americans will continue to meet with the Securities and Exchange Commission, the North American Securities Administrations Association, state commerce commissioners and others in the financial services industry. The Office will also work with several federal agencies, state and local governments, community-based organizations, and other stakeholders in senior financial education efforts.

We would also like to take this opportunity to recognize and commend your emphasis on the importance of evaluating financial literacy efforts. We agree that there have been relatively few evidence-based evaluations of financial literacy programs. The CFPB is committed to ensuring that its activities are informed by data and analytics. As such, the CFPB's Office of Financial Education recently launched its initial Financial Education Program Evaluation Project. Using rigorous quantitative methodologies, this project will assess the effectiveness of several existing financial education programs to identify which program elements do or do not increase consumers' money confidence, and why. We intend to use the insights from this study to provide direction to practitioners about how to design and support effective financial capability and money confidence programs. The results will be widely shared with participating FLEC agencies and other relevant stakeholders. As the research project proceeds, we will also facilitate the sharing of programmatic best practices, evaluation methodologies, and common metrics that promote effective financial education among practitioners and other researchers.

The complex financial marketplace creates special challenges for consumers that require a range of strategies and approaches. We are very committed to thoughtfully focusing the talent of the Bureau on ensuring that American families understand the choices available to them as they manage their finances.

We appreciate the opportunity to comment on this GAO report and we look forward to continuing to work with you on enhancing the money confidence and financial management skills of American consumers.

Sincerely,



Camille M. Busette, PhD  
Assistant Director  
Office of Financial Education

Note: This letter includes comments on Area 32: Financial Literacy.



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

January 30, 2012

Alicia Cackley  
Director, Financial Markets and Community Investment  
Government Accountability Office

Dear Ms. Cackley:

On behalf of the Department of the Treasury, I am responding to your request for comments on the Draft 2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings and Enhance Revenue (the "draft report").

The Department of the Treasury appreciates the Government Accountability Office's (the "GAO") focus on the important issue of financial literacy, and the effort the GAO has taken to understand and assess the substantial number of financial literacy programs found across the government, as well as the role of the Financial Literacy and Education Commission (the "Commission"), which is chaired by the Secretary of the Treasury. The Department finds reasonable the GAO's approach to focusing its review on larger and more comprehensive financial literacy programs, and distinguishing these from housing counseling. It is clear from the draft report that GAO understands the diversity of federal agency efforts and approaches within the broad category of financial literacy.

The Department of the Treasury concurs with the first recommendation contained on page 6 of the draft report. Specifically, we agree that federal agencies should evaluate the effectiveness of their financial literacy efforts and, if appropriate, identify options for consolidating such efforts. We believe it would be necessary for funding to be appropriated for such evaluation. Accordingly, we recommend that the first recommendation bullet be revised to read as follows:

- Congress should require and fund federal agencies to evaluate the effectiveness of their financial literacy efforts and, if appropriate, identify options for consolidating such efforts. . .

Such evaluation may also highlight areas of current effective practice, and suggest areas of better coordination among agencies. The Department also believes that continued and enhanced coordination among agencies may lead to greater effectiveness, in some cases, than consolidation.

The Department understands that GAO is using FY 2010 expenditures as the most complete data available. However, it should also be noted that some program changes and reductions may have occurred since 2010. Notably, the Department of the Treasury's Financial Education and Counseling Pilot has not received an appropriation since the Consolidated Appropriations Act, 2010. Finally, we recommend noting in both the text and Table X of the draft report, that Treasury serves as the staff and coordinator of the Commission, and thus generally bears costs of Commission operations, including, but not limited to, the MyMoney.gov website. The correct FY 2010 cost estimate for our office is \$2.1 million, not \$2.4 million. Accordingly, we recommend that you add a footnote to the last sentence of page 2. The footnote would read as follows:

- When Congress established the Commission, it required the Department of the Treasury's Office of Financial Education to provide assistance to the Commission upon request and without reimbursement.

In Table X of the draft report, we recommend revising the Department of the Treasury "Program name" description to read as follows:

- Office of Financial Education and Financial Access (including Money Math, National Financial Capability Challenge, Financial Literacy and Education Commission staff support, and other initiatives).

We also recommend revising the FY 2010 cost estimate from "2,400,000" to "2,100,000."

Thank you again for the opportunity to provide you these comments, and please contact me if I can provide any further information or clarification.

Sincerely,



Louisa M. Quittman  
Director, Financial Education  
US Department of the Treasury  
Office of Financial Education and Financial Access

Note: This letter includes comments on Area 39: Auto Recovery Office.

U.S. Department of Labor

Director of Recovery for  
Auto Communities and Workers  
Washington, D.C. 20210



February 7, 2012

Ms. A. Nicole Clowers  
Acting Director, Financial Markets, and  
Community Investment Issues  
United States Government Accountability Office  
Washington, DC 20548

Dear Ms. Clowers:

Thank you for the opportunity to review a copy of your draft language that will be included in GAO's 2012 Duplication Mandate report.

In your transmittal letter to Department of Labor Secretary Hilda L. Solis, you state that the purpose of your Duplication Mandate report is to identify federal programs, offices, etc, which have "duplicative goals or activities" and to report to Congress on your findings. In your draft report you state that the Department's Office of Recovery of Auto Communities and Workers (ORACW) has not uniquely assisted auto communities and that Congress should consider prohibiting any further funding for the Office. We believe that this conclusion is not only inconsistent with the report's own findings, it fails to adequately take into account the information presented by ORACW during the course of GAO's review.

The report begins its analysis by referring to the success of the TARP program in providing the federal resources that were essential in the restructuring of the American automobile industry. However, the purpose of Executive Orders 13509 and 13578 is not to focus on the industry itself but on the 22 communities and thousands of working families who have been severely affected by that restructuring. While the auto industry is well on the path to recovery as a result of the efforts of the Obama Administration, both the President and the Secretary Solis realize that auto communities and workers continue to need assistance and support because of the lingering effects of the industry's restructuring.

The report does not dispute the need for continued federal efforts targeted at supporting the recovery of these communities and workers. Moreover, the report recognizes ORACW's continuing role in furthering the goals of coordinating the federal response and reaching out to various stakeholders who can provide assistance and support to the affected auto communities and workers. However, the report states that ORACW has not measured its success in furthering these key goals of the Executive Order and it speculates that these goals can be accomplished by another project which does not target

the auto industry specifically and which is active in only one of the communities affected by the industry's restructuring. Finally, the draft report claims that ORACW has not accomplished the goals of providing legislative advice and policy recommendations to the President regarding auto communities and workers. As detailed below, these conclusions simply fail to acknowledge the unique role played by ORACW in implementing the Executive Orders.

#### ORACW's unique role

As has been previously noted, the mission of the Office of Recovery for Auto Communities and Workers is to provide a coordinated response between affected automotive communities and workers and the federal programs and policies that may help address their concerns. We agree with GAO's assertion that there are other efforts within the executive branch to assist economically distressed communities. However, it remains our contention that there are no other programs within the executive branch which deal specifically with the unique needs of affected automotive communities across the country. GAO acknowledges within its recommendations that ORACW does provide specialized assistance to affected automotive communities.

Other federal programs focused on assisting economically distressed communities do not have a means by which to regularly and consistently coordinate their efforts, and, as a consequence, one might observe that those efforts, however effective when judged individually, may be too diffuse to address effectively the extraordinary and multi-layered effects flowing from the restructuring of the automotive industry. Due to the depth and breadth of these effects in dozens of communities across the country, the President determined that a unique coordinated response was required. Consequently, ORACW was established to facilitate that coordination and to ensure a more effective and less diffuse federal response.

GAO identifies the Strong Cities; Strong Communities (SC<sup>2</sup>) program as an example of a duplicative program. However, as articulated by GAO, of the six pilot cities comprising the Strong Cities; Strong Communities program, only one (Detroit) is recognized as an automotive community which has been assisted by ORACW. Further SC<sup>2</sup> was not designed to deal with issues which are often unique to affected automotive communities.

GAO suggests that the Administration's SC<sup>2</sup> initiative, which is a multi-agency proposal borne out of discussions spearheaded by this Office, could replace ORACW. This suggestion simply fails to recognize the important, though distinct, roles that these separate initiatives play in supporting efforts in communities which are suffering in the current economy.

As we have attempted to clarify previously, the Executive Order which outlines a mandate to coordinate the federal response to issues facing auto communities defines the responsibilities this Office is to meet. ORACW is in fact within the Office of the Secretary of Labor, and performs its functions within the Department and in coordination with the White House and other agencies within the executive branch.

Advising on pending legislation and federal policies and programs

In practice, ORACW meets the goals of the Executive Order, consistent with the authorities delegated to the Secretary of Labor and the various Executive departments and agencies, by routinely participating in administrative review of pending legislation; participating in the preparation of the President's budget (which is a primary vehicle for proposing policy); and coordinating legislative review and budget preparation with other agencies that have specific, statutory responsibility for issues affecting and the ability to help auto communities.

ORACW has consistently engaged with the National Economic Council's (NEC) Office of Manufacturing Policy to inform policy decisions affecting proposed manufacturing legislation. Specifically, the Small Business Credit Initiative in the Small Business Jobs Act, was shaped and informed by the direct participation of ORACW.

ORACW also played an integral role in developing the policy which eventually led to the creation of the \$773 million dollar RACER Trust. ORACW's input helped to ensure that the unique interests of automotive communities were protected and balanced with respect to bidders seeking to redevelop former automotive manufacturing sites within those communities.

ORACW was responsible for commissioning an important report by the Center for Automotive Research (CAR) containing case studies of how local communities have recovered from the consequences of industrial restructuring. This study serves as a basis, along with the active support and unique expertise of ORACW staff, for policy development and program coordination with government officials both at the local and federal level.

The Office of Recovery for Auto Communities and Workers does not administer a specific program; its responsibility is to facilitate a complex process that involves many different issues in the affected communities and many potential responses from across the federal government.

We continue to maintain that the creation of a forum for raising and considering issues faced by auto communities has provided an efficient and effective way to avoid duplication of requests and responses between multiple representatives from multiple auto communities attempting to communicate with multiple federal agencies regarding

multiple issues and possible responses. In short, ORACW has helped to avoid the very duplication of federal services and support programs that your report sought to highlight.

#### ORACW adding value

The GAO interviews with some auto community's representatives suggest that since funds did not flow from this Office directly to each of those communities, ORACW added no value. There is no reference to interviews with other Federal agencies, the MAC, RACER Trust, the Funders' Network, or any other interested party in building a strategic response to the issues being confronted by the auto communities. We would suggest GAO again give consideration to the following:

#### Flint, MI

Dayne Walling, the Mayor of Flint, Michigan, acknowledged the importance of ORACW's role as coordinator and facilitator in July 2011: "I applaud President Obama's leadership in creating the Office. The President's leadership came at a critical time and saved thousands of jobs and dozens of companies right here in mid-Michigan. What President Obama recognized, and what Secretary Solis's leadership has emphasized, is that this is really about jobs and families and communities.

Through the Auto Communities Office's previous efforts, Flint has been better able to address critical issues through expanded Federal funding for firefighters and police officers, for neighborhood stabilization and master planning, for cleanup efforts led by the EPA so that we have land put back into use for economic development and jobs. We've also enjoyed recent visits by Transportation Secretary LaHood and a Commerce Assistant Secretary on behalf of the White House Business Council, to add to this comprehensive approach. This kind of coordination across the Federal government for auto communities has proven to be a success, and we have all seen the progress that has been made in the last two years under very difficult circumstances."

#### Kokomo, IN

Kokomo, Indiana was one of the first communities that ORACW engaged with in its efforts to assist communities confronted with the closure of auto facilities. In June 2009 the Executive Director of ORACW visited Kokomo, Indiana with then-Senator Evan Bayh, Congressman Joe Donnelly, and other local leaders and Federal agency partners to see first-hand the needs of the community. Since then, ORACW staff has been in regular communication with community leaders in an effort to work through a number of key issues identified then and in subsequent meetings.

Howard County, where Kokomo is situated, had been seeking the payment of \$12.9 million in personal property taxes due in 2009 and \$12.3 million owed in 2010 by

Chrysler. Chrysler's failure to pay its full property tax obligation could have caused significant fiscal difficulties for the school system and public services. When Chrysler filed for bankruptcy protection in 2009, the county, with ORACW support, started discussions about the payment of the taxes. After months of negotiations, an agreement was reached in early 2010 whereby Howard County received 100% of the taxes owed for 2009 and 2010.

ORACW worked to connect the Economic Development Administration (EDA) with key stakeholders and Indiana's Office of Community and Rural Affairs (OCRA). At our suggestion, the City of Kokomo worked with OCRA on the submission of an application for a recovery coordinator, as well as for other services that could benefit Kokomo and the surrounding economic region.

This application was awarded in September 2010, in the amount of \$148,886 to OCRA to support a regional economic development strategic plan for six north central Indiana counties. The goal of the grant is to encourage creative approaches to job and income creation in the region. The plan is currently under development and is expected to be completed no later than September 2012.

The Mayor of Kokomo, Indiana, Greg Goodnight, recently wrote of ORACW's engagement with the city: "The Obama Administration and the Auto Recovery Office have been extremely supportive of our efforts here in Kokomo over the past few years. Like most of the country, we have faced some tough times, and our community is working together to get through it. In fact, we were recently recognized as the Indiana Chamber of Commerce 2011 Community of the Year! We're headed in the right direction, and we are very appreciative of what the Administration and the Auto Recovery Office have done for us. We have utilized our CDBG funds to improve our city's neighborhoods and economic landscape. And we have great business partners such as Chrysler, Delphi and GMCH here that are also helping to lead the way to recovery. I know we can count on Mr. Williams and the Auto Recovery Staff to help us when we need it."

#### Fremont, California

In September 2009, New United Motor Manufacturing Inc. (NUMMI) announced that it would close its Fremont, California plant in March 2010. Local leaders reached out to the Office of Recovery of Auto Communities and Workers. In November 2009 ORACW brought a team of Federal officials to Fremont to determine what Federal resources might be helpful to the community.

With the closure of NUMMI still months away, the Federal agency partners were able to begin preparing well in advance. The Department of Labor worked closely with the eight affected workforce investment boards as they coordinated rapid response efforts to

support the soon-to-be dislocated workers. In November 2009, well before the actual closing, TAA was approved to provide additional benefits to the plant's 4,700 affected workers. In the first half of 2010, TAA petitions were also approved for over 20 NUMMI suppliers benefiting over 2400 workers.

#### Transition to other federal programs

Within its recommendations GAO states that ORACW should determine when and how the specialized assistance provided by the Office can be transitioned to existing federal programs. ORACW acknowledges that its mission is not one to exist in perpetuity.

However, further evidence of the continued relevance of ORACW can be seen in the recent closure announcements with respect to automotive plants in the communities of Indianapolis, Indiana; Walton Hills, Ohio; Shreveport, Louisiana; and St. Paul, Minnesota. ORACW has already begun to engage those communities in advance of the plant closures to ensure a smooth start to what is certain to be a very difficult process of transition.

To continue ORACW's ongoing efforts with affected communities in Indiana and to assist local officials to begin planning the transition that will follow the announced closure, the Office's Executive Director traveled to Indianapolis in November 2011. Likewise, the ORACW Executive Director has met with Members of Congress representing of Walton Hills, Ohio and other local officials, and a meeting with stakeholders in the community is being planned for early 2012.

In addition, ORACW's staff has reached out to officials in Shreveport and is planning a trip to the community in the first quarter of 2012. The director will also be traveling to St. Paul, Minnesota on February 13-14, 2012 to meet with local officials to discuss the best path forward in light of the recent closure announcement of a Ford plant.

#### Concurrence

Within its report GAO stated the following:

As of February 2012, the Secretary of Labor still needs to take actions on recommendations included in GAO's May 2011 report, such as:

Directing the Auto Recovery Office to (1) document the office's achievements to date, including its assistance to various auto communities; (2) establish a process for measuring the office's results; and (3) determine when and how the specialized assistance provided by the office can be transitioned to existing federal programs.