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Testimony of Beth Cobert
Deputy Director for Management, Office of Management and Budget
before the
House Committee on Oversight and Government Reform

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Thank you Chairman Chaffetz, Ranking Member Cummings, and distinguished members of the Committee, for inviting me to discuss the Federal Government's efforts to reduce fragmentation, overlap, and duplication across programs. I appreciate the opportunity to discuss this important area, especially because it is critical that the Administration and Congress work together to advance reforms that help sustain a high-performing, cost-effective Government.

GAO is a key partner in OMB's efforts to create more efficiencies and cost savings. The *2015 Annual Report on Fragmentation, Overlap, and Duplication* provides helpful updates on actions the Administration and Congress have taken on recommendations from previous reports on the same subject, and offers new recommendations. I also appreciate this opportunity to testify along with Comptroller Gene Dodaro. Whether it is the GAO High Risk list, or identifying opportunities for acquisition reform, or today's report on Duplication, Fragmentation and Overlap, we are regularly working together towards the same goal of creating positive outcomes for citizens.

GAO's report recognizes some of the overall progress the Administration has made since the initial 80 areas of fragmentation, overlap or duplication were identified in 2011. The Executive Branch and Congress, together, have significantly engaged on 337 of the 440 broad areas GAO has identified over the past four years. Within these broad areas, the Executive Branch has made progress on 79 percent of GAO's recommendations, with 30 percent fully addressed and at least another 49 percent partially addressed. The Executive Branch has fully addressed 116 actions and partially addressed more than 189 actions since 2011.

The President's Management Agenda provides a strong foundation for tackling duplication, fragmentation, and overlap as well as saving taxpayer dollars. The President's Management is built on four core pillars:

- Effectiveness—delivering world-class customer service to citizens and businesses;
- Efficiency—enhancing productivity and achieving cost savings across the Government;
- Economic growth—opening Government-funded data and research to the public to spur innovation, entrepreneurship, economic growth, and job opportunities; and
- People and culture—unlocking the full potential of today's Federal workforce and building the workforce needed for tomorrow.

By focusing on how we can simplify processes to make services better, finding ways to share best practices and information more effectively across the federal landscape and with the public, and leveraging our greatest resource – America’s federal workforce – the Administration is driving an agenda that enables government to operate more efficiently in a 21st century economy.

Many of the Government’s most critical priorities require focus, discipline, and collaboration across multiple agencies to drive results. One key way that OMB helps support this prioritization and collaboration is through Agency Priority Goals (APGs) and Cross-Agency Priority (CAP) Goals. These goals – established as part of the GPRA-MA performance management framework – and the quarterly data-driven reviews to review progress on the goals, help deliver on the Administration’s commitment to further economic growth and job creation and address government-wide management challenges. Using both APGs and CAP Goals, we have seen strong and promising results in and across agencies, including in areas identified in the GAO report, such as Strategic Sourcing, Smarter IT Delivery, and Real Property.

The Administration is pleased to update you on its progress in several specific areas related to GAO’s extensive recommendations as well as the President’s Management Agenda:

- Saving on Real Property Costs. In 2013, the Administration issued the Freeze the Footprint (FTF) policy to freeze the Federal Government’s real estate footprint and restrict the growth of excess or underutilized properties. Freeze the Footprint was the first government-wide policy that established and required federal agencies to identify offsets (i.e., disposals) of existing property to support new property acquisitions, and that set a timeline for agencies to freeze their real property footprint. The policy was a success. Now federal agencies have frozen, reduced, or are on a path to freeze their baseline by the end of FY 2015. Agencies achieved a 21.4 million square foot reduction in office and warehouse space between FY 2012 and FY 2014. And in FY 2014 alone, for all domestic owned building types, the government disposed of 7,350 buildings, 47 million square feet of space, and eliminated \$17 million of annual operation and maintenance cost as a result of Freeze the Footprint. Building on this success, on March 25th the Administration has issued the National Strategy for Real Property (National Strategy) and the Reduce the Footprint policy. With the establishment of the National Strategy and OMB’s new Reduce the Footprint (RTF) policy agencies will be required not only to continue to freeze but also reduce their real property footprint over the next several years. The RTF policy will supersede the current FTF requirements by requiring agencies to reduce, rather than freeze, their footprint beginning in FY 2016.
- Efficient Acquisition. Our current fragmented acquisition landscape leads to many agencies duplicating efforts and establishing redundant acquisition programs and contracts. Strategic sourcing was an important first step to better manage acquisitions, generating savings of \$417 million since 2010, reducing contract duplication by up to 40 percent in some areas, and allowing us to meet or exceed our small business goals for each strategically sourced commodity. We’re building on this success through category management, an approach used in the private sector and other governments, in which we will divide the more than \$270 billion we spend each year in federal contracting for

common everyday items into ten categories - like IT, professional services and transportation. For each category a team of experts will develop government-wide acquisition strategies for their commodities, like moving to a single software solution, developing standard contract language or just driving smarter behaviors like stopping unnecessary overnight express delivery for small packages. The teams also will be responsible for meeting or exceeding small business vendor goals for each category. An important part of this effort is creating GSA's Acquisition Gateway, a single repository of information for agencies on best practices and tools, existing contracts, and prices paid by other agencies for identical or similar items. By sharing information and shedding light on the contracts and tools already available, we will reduce duplicative acquisition practices and better leverage government-wide buying power. As a result, we will achieve greater efficiencies, reduced costs, and improved performance.

- Smarter IT Delivery. In 2012, OMB initiated the PortfolioStat process, a data-driven effort with agencies to examine IT portfolios and identify common areas of spending to decrease duplication and drive down costs. PortfolioStat has helped the Government achieve more than \$2.3 billion in savings over the past three years while ensuring agencies are efficiently using taxpayer dollars to deliver effective and innovative solutions to the public. PortfolioStat promotes the adoption of new technologies, such as cloud computing and agile development practices. For example, as a result of these continuing efforts, the Federal Government now spends approximately 8.5 percent of its IT budget on provisioned services such as cloud computing, on par with leading private sector companies. The Administration is committed to continuing the PortfolioStat process to drive further management improvements, save billions of dollars across the Federal Government, and improve services to Americans through the effective use of technology. OMB is the steward of the Information Technology Oversight and Reform (ITOR) effort, which supports the use of data, analytics, and digital services to improve the efficiency, effectiveness, and security of government operations and programs. Since ITOR's inception, agencies have reported about \$2.8 billion in cost savings and avoidance resulting from OMB's enhanced oversight and reform efforts. OMB also is working hard to leverage and implement the new Federal Information Technology Acquisition Reform Act (FITARA), which will help agencies manage information technology (IT) resources in a more coordinated and effective way.
- Reorganizing STEM Education Programs. The Nation's competitiveness depends on the ability to improve and expand STEM learning in the United States. Over the past two years, the Administration has made considerable progress toward creating a more cohesive framework for delivering STEM education. Guided by the Federal STEM Education Five-Year Strategic plan and a significant reorganization of programs, agencies are increasing coordination, strengthening partnerships, and identifying ways to leverage existing resources to improve the reach of agency assets. The number of different STEM programs has been cut from over 220 to fewer than 140, a reduction of roughly 40 percent. The Budget builds on these efforts and continues to reduce fragmentation, ensuring that investments are aligned with the Strategic Plan. The Budget invests more than \$3 billion in 113 programs, including \$200 million for K-12 education

in the Department of Education's Math and Science Partnerships and National Science Foundation programs providing \$338 million for graduate fellowships, \$62 million for graduate traineeships, and \$135 million for improving undergraduate education. The Budget also supports new ideas, including a proposed \$125 million program in the Department of Education to create more Next Generation High Schools that will be laboratories for cutting-edge STEM teaching and learning.

- Eliminating Homelessness. Through strong interagency collaboration and community partnerships across the country, the Administration has made significant progress toward the President's ambitious goal of ending homelessness, particularly among veterans. Major cities, including Salt Lake City, Utah, and Phoenix, Arizona, have ended chronic homelessness among veterans. And in January, New Orleans, Louisiana, became the first major American city to end veteran homelessness entirely. Nationally, veteran homelessness is down 33 percent and the total number of people experiencing chronic homelessness on a single night is down 21 percent from 2010 to 2014. The US Interagency Council on Homelessness continues to play an important role in coordinating the Federal response to homelessness and creating intergovernmental and private sector partnerships to reduce and end homelessness. As proposed in the 2015 Budget, the 2016 Budget for the Department of Homeland Security proposes to transfer funding and administration of the Federal Emergency Management Agency's Emergency Food and Shelter (EFS) program to HUD to reduce fragmentation and align efforts to end homelessness.
- Employment and Training. The Administration, in partnership with Congress, has taken a number of steps to improve coordination and alignment across Federal training and employment programs. Last year's passage of the Workforce Innovation and Opportunity Act (WIOA) made significant improvements in integration and coordination of the public Federal workforce system, aligning it with regional economies and ensuring the delivery of integrated services through the network of American Job Centers (AJCs) to job seekers and employers. WIOA requires co-location in American Job Centers of additional workforce programs—including the Temporary Assistance for Needy Families (TANF) program. In addition, states must submit unified plans coordinating their workforce and education programs to the Departments of Education and Labor. The Administration recently released a WIOA draft Notice of Proposed Rulemaking, developed jointly by the Departments of Labor and Education, which lays out a common set of performance measures that would improve accountability in the workforce system and improve transparency. Last year, the Vice President also led an across-the-board review of job training programs to identify ways to make them more job-driven and ensure that they train people for jobs that exist today. This effort culminated in a report that includes a set of principles of job-driven training. Agencies across the government, including the Departments of Labor, Education, Health and Human Services, Housing and Urban Development, Transportation, Energy, Defense and Agriculture are using these job-driven principles to align their programs to provide people with the skills they need to get and keep good jobs while also matching employers with the skilled workers they need to compete successfully in a global economy. In addition to taking steps to

improve coordination, the Administration has recommended several targeted program consolidations that would reduce overlap without adversely affecting vulnerable populations. To date, several of the 47 programs GAO identified already have been eliminated or consolidated.

- Employment for People with Disabilities. The Administration has undertaken several actions to reduce duplication, overlap, and fragmentation among job training programs that serve people with disabilities. In FY 2015, the Social Security Administration (SSA), in partnership with other Federal agencies, began developing an initial demonstration to test innovative strategies to help people with disabilities remain in the workforce. Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. The proposed reauthorization of demonstration authority in FY 2016 will further build the evidence base for future program improvements. In addition, we continue to improve the coordination and integration of programs for people with disabilities that are embedded within broader programs that serve the general population. Among our efforts are developing draft regulations for the Workforce Innovation and Opportunity Act (WIOA), forming a federal advisory committee on increasing competitive integrated employment as required by WIOA that will share a recommendations report with the Congress next year, and applying the job-driven training checklist to job training programs for people with disabilities.

The President's FY 2016 Budget also continues to propose reforms and target duplicative programs for reduction or elimination, not only in the areas GAO has identified. For example, in the President's first six Budgets, the Administration identified, on average, more than 150 cuts, consolidations, and savings averaging more than \$23 billion each year. Many of these proposals have now been implemented, and the Budget built on this success by including 101 cuts, consolidations, and savings proposals projected to save over \$14 billion in 2016. The Budget shows that we can avoid the harmful spending cuts known as sequestration, and instead invest in economic growth, mobility, and national security while still putting the Nation on a sustainable fiscal path. Overall the Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms in health programs, the tax code, and immigration.

The Budget also supports the President's plan to reorganize the Federal Government so that it does more for less, and is best positioned to assist businesses and entrepreneurs in the global economy. Specifically, the President is renewing his request for the Congress to revive the reorganization authority given to nearly every President from Herbert Hoover to Ronald Reagan. This authority would allow the Administration to submit plans to consolidate and reorganize Executive Branch Departments and agencies for fast track consideration by the Congress, but only so long as the result would be to reduce the size of Government or cut costs, a new requirement for this type of authority. The President's FY 2016 Budget includes examples of cross-government consolidations intended as a blueprint for reorganizing and reforming the Government. As the President first indicated in 2012, if he is given Presidential reorganization

authority, he would propose to consolidate a number of agencies and programs into a new department focused on fostering economic growth and driving job creation. This proposal would consolidate six primary business and trade agencies, as well as other related programs, integrating the Government's core trade and competitiveness functions into one new department. The President's Budget also proposes consolidating food safety functions, as an essential step to reforming the Federal food safety system overall. The Administration will continue to work with Congress and stakeholders on these proposals and to identify opportunities to make the Government more efficient and effective.

While progress has been made, much more remains to be done. As we look forward, we will continue to use various tools, such as the Government Performance and Results Act (GPRA) Modernization Act of 2010, and the President's Management Agenda, to turn management reform initiatives into real and lasting results for the American people. Similarly, GAO identified common themes among their suggested actions which reinforce the Administration's performance management approach and our path forward: (1) improving planning; (2) measuring performance and results; (3) improving management oversight; (4) enhancing interagency coordination and collaboration; and (5) considering legislative changes. A few examples of the Administration's continued efforts include:

- Continuing progress toward addressing areas GAO has identified. We will continue to work with agencies and Congress to reduce fragmentation, overlap, and duplication. Specifically, the Administration and Congress should work together to implement the reforms proposed in the President's Budget, as well as examine and take appropriate action on the new areas identified in GAO's report. Of actions GAO recommended for Executive Branch attention which have not yet been addressed, many are in process and require longer-term implementation strategies, which GAO recognizes in its report. Going forward, the Administration will continue to identify lower-priority programs and opportunities for savings for inclusion in the President's Budget. We look forward to working with Congress to address these challenges.
- Institutionalizing Data-Driven Reviews. OMB and agencies will continue to strengthen data-driven reviews, such as PortfolioStat, HR Stat, Benchmarking, and Priority Goal reviews. Regular, data-driven reviews provide a mechanism to bring together the people, resources, and analysis needed to drive progress on cross-cutting or fragmented program areas. Data-driven performance reviews reinforce priorities and establish a culture of continuous improvement by diagnosing problems, analyzing data to find increasingly effective approaches, and deciding on next steps.
- Enhancing Capacity and Collaboration. When agencies carry out activities in a fragmented way, the Government wastes Federal funds and services suffer. The Performance Improvement Council (PIC) has been key in addressing cross-cutting issues and promoting adoption of the most effective and efficient practices to help break down silos. The PIC's working groups, for example, have improved a variety of agency management efforts, including strategic planning, Priority Goal setting, and data-driven reviews. As agencies improve their capacity to apply these tools in the most effective

ways, our coordination in service delivery will better meet the needs of the American people.

- Leveraging New Legislation. We also are working to oversee the implementation of two new key pieces of legislation that will further strengthen efforts to improve efficiencies and save taxpayers resources – the Digital Accountability and Transparency Act (DATA Act) and FITARA. The DATA Act will expand Federal financial data reporting and improve data standards, and FITARA is designed to deliver better value to taxpayers by improving federal IT acquisitions, management, and oversight. We are working closely with agencies to implement these key pieces of legislation and the FY 2016 Budget includes requests to address implementation, oversight, and reporting requirements.

Improving the effectiveness and efficiency of the Federal Government is not an easy endeavor. It requires dedication and commitment throughout agencies, from the Secretary at headquarters to the employees on the front line. It requires sustained support from both the Executive and Legislative Branches. Our success to date shows that we can improve the way Government works and provide the American people with an efficient, effective, high-performing Government. We look forward to continuing to work with Congress, GAO, and other stakeholders to identify opportunities to create a Government of the future that makes a significant and tangible difference in the economy and the lives of the American people. I thank the Committee for holding this hearing, and for your commitment to improving Federal performance. I would be pleased to answer any questions you may have.

Beth Cobert, Deputy Director for Management Office of Management and Budget

Beth Cobert is the Deputy Director for Management. She was confirmed on October 16, 2013. As Deputy Director for Management, Ms. Cobert is responsible for oversight and coordination of the Administration's procurement, financial management, e-government, performance and personnel management, and information and regulatory policies. This role encompasses oversight of how agencies devise, implement, manage, and evaluate the statutory programs and policies for which they are responsible. The Deputy Director for Management also serves as the Nation's Federal Chief Performance Officer.

Beth Cobert previously served nearly thirty years at McKinsey & Company as a Director and Senior Partner. During her tenure, she worked with corporate, not-for-profit and government entities on key strategic, operational and organizational issues across a range of sectors, including financial services, health care, legal services, real estate, telecommunications, and philanthropies. She led major projects to generate performance improvements through process streamlining, enhanced customer service, improved deployment of technology, more effective marketing programs and strengthened organizational effectiveness. Within McKinsey, Cobert held multiple leadership roles in people management including recruiting, training, development and performance management of staff. She has been a champion for professional development and initiatives to support women's advancement to leadership positions. Cobert also previously served as a board member and chair of the United Way of the Bay Area and as a member of the Stanford Graduate School of Business Advisory Council. Cobert received a bachelor's degree in economics from Princeton University and a master's degree in business administration from Stanford University. She and her husband Adam Cieth have two children.