

**Written Statement of Robin C. Carnahan
Administrator of the U.S. General Services Administration
before the
Committee on Oversight and Accountability
U.S. House of Representatives
November 14, 2023 10:00 am
Rayburn House Office Building, room 2154**

Introduction

Good morning, Chairman Comer, Ranking Member Raskin, and Members of the Committee. My name is Robin Carnahan, and I am the Administrator of the U.S. General Services Administration (GSA). I appreciate the Committee's invitation to discuss GSA's activities and share how our agency is improving the efficiency and effectiveness of the federal government while saving taxpayer money.

GSA was established 74 years ago by President Truman based on recommendations by the Hoover Commission to reorganize and improve the operations of the federal government. Making government work better for the people we serve and saving money doing it continues to be our North Star. Every day, GSA programs support federal agencies with their real property, procurement, information technology (IT), and shared services needs. GSA's mission is to deliver the best customer experience and value in those areas to the government and the American people, and that is reflected in our strategic priorities: (1) right-sizing and modernizing the federal government's real estate footprint in support of agencies' missions; (2) making it easier for businesses, and especially small businesses, to work with the government; and (3) delivering simple, secure, and accessible digital government services to improve the quality of citizens' experience with their government. Today, I would like to highlight some of the ways we are working to deliver on these goals and priorities.

Optimizing the Federal Real Estate Footprint

Organizations, both public and private, are looking for ways to adapt their workplaces to more effectively and cost-efficiently carry out their missions. As the government's largest civilian real estate provider, GSA plays a key role in helping federal agencies rethink their space requirements and in facilitating the federal government's transition to an optimal real estate footprint that saves taxpayer dollars.

Since 2021, as directed by Office of Management and Budget (OMB) memos (M-21-25 and M-23-15), agencies have been evaluating how work environments can be structured to enhance mission delivery while strengthening their organizations for the future — including evaluating the impacts of new workforce operational policies on agencies' performance of their missions. While GSA does not make space decisions for our customer agencies, GSA leverages its expertise and experience to work closely with agencies to plan, and wherever possible, to help agencies downsize their real estate footprints.

GSA has a record of success in optimizing and reducing unneeded real estate assets, and we believe – with continued partnership and support from Congress – we can continue to drive greater efficiencies and more savings. Since 2013, GSA has helped to reduce the portfolio-wide footprint of tenant agencies housed in office buildings in GSA's custody and control by disposing of almost 12 million owned square feet, and a reduction on the leased side of 14 million square feet. This has been accomplished through strong asset management and strategic investments based upon OMB memos (MPM 2013-02 and MPM 2015-01). For example, one of GSA's programs devoted specifically to driving forward consolidations has helped agencies release over two million square feet of space, realizing an average payback period on GSA's investment of less than two years and avoiding approximately \$168 million in annual private sector lease payments.

We see an opportunity now more than ever to further optimize the footprint and save taxpayers money. Approximately half of the value of our leased portfolio is expiring within the

next five years, and we can seize this opportunity to further reduce unneeded space — but only if we are able to make the necessary investments in our owned portfolio. As the Government Accountability Office noted in a recent report on building utilization, the largest impediment to improving building utilization has been lack of sufficient funding to allow for optimization to occur. To be successful, this transition will require upfront investments to improve building conditions in the assets that are long-term holds within GSA's portfolio, and to move customer agencies out of the buildings that we intend to move towards disposition.

That's why it is so important that GSA receives Congressional support for its full fiscal year (FY) 2024 budget request — including proposed legislative reforms and the agency's \$2.3 billion request for capital program investments. Progress can only be made if GSA receives full access to the Federal Buildings Fund (FBF) to reinvest in the federally owned portfolio to facilitate increased utilization, and agencies receive the necessary partner funding. There are significant opportunities across the GSA portfolio where predictable, consistent, and adequate funding can be invested to drive real estate savings and reduce costs many times over. More than a decade of persistent underfunding has resulted in billions of dollars in deferred maintenance needs that, if left unaddressed, will continue to compound.

Resource constraints have also limited GSA's ability to consolidate agencies and achieve better asset utilization. Despite GSA's record of successfully reducing costs through consolidations, only 40 percent of the funding requested for the Consolidations Special Emphasis Program has been provided over the past 10 years. If GSA had received the full appropriation requested, we estimate that as many as 120 additional consolidation projects would have been completed, saving hundreds of millions of dollars for taxpayers. Additionally, chronic underfunding means that necessary repairs go unfunded in the year requested and must then be rolled over and resubmitted in subsequent budget cycles at a higher cost. For example, in FY 2024, 13 out of 17 Major Repairs and Alterations projects proposed are

resubmittals; collectively, the total costs for these projects are now \$300 million higher than the aggregate projects cost when submitted for prior fiscal years.

Support for GSA's full FY 2024 budget request — including the \$2.3 billion requested for capital program investments and the \$50 million requested to support the Consolidation Activities Special Emphasis Program — will enable GSA to help address some of the concerns being raised by this Committee. Beyond GSA's funding requirements, GSA's FY 2024 budget request includes a legislative scoring proposal to ensure that GSA is provided full access to the annual revenues and collections that are deposited into the FBF. GSA is also proposing an increase to the prospectus threshold from \$3.613 million to \$10 million. Taken together, these proposals work to reduce timelines for project delivery, support improved building utilization rates, and provide better services to federal agencies and the communities they serve at reduced costs.

Collectively, these efforts – paired with access to the FBF – will allow GSA to invest in federally owned properties and optimize their configuration and performance, divest unneeded assets, reduce the reliance on privately owned space, and ultimately help GSA to deliver the best value in real estate to our partners across government and significant savings to taxpayers.

Making it Easier for Businesses to Meet Agencies' Procurement Needs

In GSA's role supporting government-wide acquisitions and procurement, we aim to develop procurement solutions that are better, faster, and cheaper for agencies to meet their procurement needs. We do this by making it easier for businesses, especially small businesses and those from underserved communities, to access and sell to government buyers, while protecting the supply chain. While purchasing decisions are ultimately made by agencies themselves, GSA contracting vehicles are used by agencies to procure over \$90 billion in goods and services annually. By simplifying and streamlining access to the federal marketplace, and

modernizing procurement systems and processes, GSA helped agencies save \$6 billion in FY 2023.

We achieve these savings by leveraging the buying power of the government and providing cost-effective solutions to agencies. One example of how GSA has worked to simplify federal buying is through the GSA SmartPay Program. This is the largest government charge card and commercial payment solutions program in the world. It provides services to more than 500 federal agencies, organizations, and Tribal Governments. Customers can realize administrative cost savings through payment efficiencies across purchase, travel, fleet, and integrated payment solutions that support mission needs.

We also ensure that the solutions we develop support the small business community, consistent with Congress' and the Administration's shared goals. For example, our Multiple Award Schedules solution currently has 12,500 small businesses on contract, and more than \$14.3 billion went to small businesses through this solution in FY 2022. That supports businesses, communities, and the customer agencies we serve with the smart and innovative solutions that small businesses deliver. This and other solutions are how we were able to support small business government-wide spending of \$25.3 billion through all of our acquisition vehicles in FY 2022 alone.

Providing government-wide acquisition vehicles also allows for better compliance with key Congressional directives on federal buying – including new provisions and clauses like Section 889 that are critical to national security. Section 889 refers to the relevant section of P.L. 115-232, the 2019 National Defense Authorization Act, which prohibits the government from procuring or obtaining covered telecommunications equipment; in other words, equipment that may not be secure for federal use. GSA is carefully applying this prohibition within our acquisition vehicles. GSA canceled 131 contracts that did not incorporate the required contract clause. GSA developed a tool that screens for prohibited items and issued a policy requiring its contracting officers to use the tool for every Multiple Award Schedule offer and contract

modification prior to adding new products to the contract. To date, GSA has removed approximately 1,772 prohibited items from the contract and GSA Advantage. If these products are offered again by any contractor, the products are automatically hidden from customer view on GSA Advantage and subsequently deleted from contract solicitation, and contracting officers may take other actions, as appropriate, including contract cancellation. We also are making it easier for agencies and contracting officials to comply with Section 889, through a search tool that will make it easier for them to check an entity's Section 889 compliance status in the federal database SAM.gov. This is an example of using existing data to solve problems for users in a way that helps secure our supply chain and assists them with following the law.

Deliver the Best in Digital and Shared Government Services

In delivering digital services to partner agencies and the public, GSA is working to improve the public's experience with government while saving taxpayer money. Building scalable shared technology services allows the federal government to leverage modern technology practices that are easier to maintain, are more secure, and are cheaper overall for taxpayers. There are many common mission needs across agencies. For example, agencies across government need accessible and usable websites to serve the public and their specific constituents. So, GSA created the U.S. Web Design System, which provides website standards for agencies across government to use at no cost, creating a more consistent and accessible experience across agencies and across sites – while saving taxpayers money. As of September 2023, 94 agencies use U.S. Web Design System code, and the System powers over one billion page views on federal websites, roughly 20 percent of all traffic.

Another common need across the government is the ability to provide the public with simple, secure, and privacy-protecting access to services, while preventing identity and benefits fraud. That need inspired GSA's creation of Login.gov, a digital identity verification program with the mission to simplify secure access to online government services for the public at reduced

costs and complexity for agencies. To ensure simple, secure access, Login.gov requires multi-factor authentication by default—for every user—meaning that even if a user’s Login.gov password is guessed or stolen by a bad actor, it cannot be used to fraudulently claim a benefit without the bad actor also having access to a second, independent authentication factor, such as a text message sent to the legitimate user’s cell phone. This both reduces fraud and minimizes burden on potential victims. Once a user sets up a Login.gov account, they can re-use that secure account at over 40 federal and state agencies—reducing both burden for the user and costs for agencies.

Login.gov also provides agencies with strong identity verification that relies on verifying a state-issued ID and a phone number or address known to be associated with the user. This strong, evidence-based method of identity verification raises the bar significantly on fraud prevention compared to traditional methods of identity verification, which relied solely on knowledge of personal or credit information, such as Social Security number, birthday, or credit report data. Together, Login.gov’s products help agencies increase access while reducing identity and benefits fraud. Login.gov recently reached a new milestone, with all Cabinet agencies working with Login.gov for at least one program or application, and in August of this year, in the wake of the tragic Maui wildfires, Login.gov was rapidly deployed by the Hawaii Department of Labor, GSA, and the U.S. Department of Labor, to protect the state’s unemployment system from fraudulent actors while ensuring that critical unemployment benefits were available 24x7 for the victims who needed them most. Through Login.gov, millions of Americans use one single, secure login to access government benefits and services – saving people time while preserving their privacy and protecting them from identity fraud.

We also know that agencies need a simple and straightforward way to provide notifications to the public. In fact, a growing number of agencies want to use text messaging to support everything from hiring to federal benefits to passport renewal – and we are working on that through a new program called Notify.gov. This is a low-cost, shared service that saves

agencies time and money, including the costs of re-enrolling people who might otherwise inadvertently fall off from benefits. While this is still a pilot, an agency that must certify annual benefits could save millions in recertification costs along with thousands of hours of recertification-related labor. The VA already uses this approach, as do other countries.

Many of you have heard from me about the need for better technology modernization across the government. One critical way we can do that is to continue to help agencies impacted by inconsistent funding year-over-year that makes it challenging for their projects to pivot towards success. So, I appreciate the Committee's interest and support in extending the Technology Modernization Fund's (TMF) authorization, and I look forward to working with you all to ensure that technology modernization efforts can continue apace.

These are just some of the many shared digital services we provide across government to improve the public's experience and to save taxpayers money. We will need Congress's continued support of smart programs like the TMF, and we appreciate this Committee's long-standing and forward-looking approach on how to address these common technology challenges in government.

Conclusion

GSA continues to deliver on our mission of providing the best value in real estate, acquisition, and technology services to the government and the American people. However, in order for us to best meet our mission goals, we will need Congress' partnership and support. Your support of GSA's legislative proposals, along with full funding of the President's FY24 budget request, will allow us to meet that mission effectively and serve as a blueprint that will help guide GSA into the future. We look forward to working with this committee on ways to make that possible. Thank you for the opportunity to testify before you today. I look forward to answering your questions.