Evaluating and Managing Program Fragmentation, Overlap, and Duplication to Support Efficient & Effective Programs

ALGA Regional Training
February 15, 2019

Steven Putansu, PhD
Senior Social Science Analyst
U.S. Government Accountability Office

For more information, contact Steven Putansu at putansus@gao.gov
Session Description

Every year, the U.S. Government Accountability Office (GAO) identifies and reports on federal agencies, programs, and initiatives with fragmented, overlapping, or duplicative programs and other opportunities to improve the effectiveness and efficiency of government operations.

The government saves money when it takes the actions proposed by GAO—an estimated $178 billion so far.

This session discusses the process used by GAO to identify these opportunities and how they may be leveraged by local government auditors during performance audits to provide recommendations that help to reduce or better manage fragmentation, overlap, and duplication in government activities, and improve resource stewardship across the government.
Agenda for the Session

- Introduce GAO’s methodology for evaluation and managing Duplication, Overlap, and Fragmentation (DOF) in federal programs
  - One exercise to identify DOF issues
  - One exercise to identify DOF solutions

- Discuss GAO’s related efforts to identify opportunities to achieve other financial benefits
  - Highlight areas of high potential
**Definitions**

**Fragmentation** refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities exist to improve service delivery.

**Overlap** occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.

**Duplication** occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.
Step 1: Identify Fragmentation, Overlap, & Duplication

1.1 Identify an approach for selecting programs for a fragmentation, overlap, and duplication review
1.2 Identify programs to examine for a fragmentation, overlap, and duplication review
1.3 Gather background information on the identified programs
Step 1 (continued)

1.4 Determine whether fragmentation, overlap, or duplication exists among the selected programs

1.5 Identify relationships between the fragmented, overlapping, and duplicative programs

1.6 Confirm findings with relevant agencies and other key stakeholders
Poverty as an example of fragmentation
Overlap in Poverty Programs
Duplication in Poverty Programs
Step 2: Identify Potential Effects of DOF

2.1 Identify potential positive and negative effects of the fragmentation, overlap, and duplication identified
Step 2 (continued)

2.2 Assess the need for further evaluation

2.3 Confirm findings with relevant agencies and other key stakeholders
Exercise 1

• In this exercise, each team will be given a scenario of fragmentation, overlap, and/or duplication. Each team will have 15 minutes to:

  • Determine which condition(s) apply to their case
  • Identify 3 potential benefits that may result from the condition
  • Identify 3 potential risks that may result from the condition
Step 3: Validate Effects and Assess and Compare Programs

- **3.1** Identify existing evaluations of the identified programs and assess their relevance and soundness
- **3.2** Conduct a new evaluation if existing evaluations are not available, relevant, or sound
Step 3 (continued)

3.3 Use evaluations to validate the actual effects of fragmentation, overlap, and duplication, and assess and compare the performance of programs

3.4 Confirm findings with relevant agencies and other key stakeholders
Fragmentation Problem Example
Fragmentation Good Planning Example
Overlap Problem Example
Overlap Coordination example
Duplication Problem Example
Duplication Information Sharing Example
Step 4: Identify Options to Increase Efficiency and Reduce or Better Manage FOD

4.1 Identify options for increasing economy and efficiency

4.2 Identify options for reducing or better managing fragmentation, overlap, and duplication

4.3 Communicate options to increase efficiency and reduce or better manage fragmentation, overlap, and duplication to policymakers
Exercise 2

• Returning to the cases you examined in exercise 1, each team should:

• Identify 1 or 2 recommendations to eliminate, reduce, or better manage the fragmentation, overlap, and/or duplication from your case

• Discuss how your recommendation(s):
  • Enhance the potential benefits you’ve previously identified
  • Mitigate the risks you’ve previously identified
Management Strategies for DOF

- Clarify Roles and responsibilities – including elimination/consolidation in some cases
- Coordination across entities
Coordination to Address FOD

• establish mutually reinforcing or joint strategies;
• identify and address needs by leveraging resources;
• agree on roles and responsibilities;
• establish compatible policies, procedures, and other means to operate across agency boundaries;
• develop mechanisms to monitor, evaluate, and report on results;
• reinforce agency accountability for collaborative efforts through agency plans and reports; and
• reinforce individual accountability through performance management systems.
## Selected Goals for addressing DOF

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<thead>
<tr>
<th>Enhance</th>
<th>Mitigate</th>
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<tbody>
<tr>
<td>Relevant Expertise</td>
<td>Difficulty understanding programs</td>
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<tr>
<td>Shared Resources</td>
<td>Wasted efforts/resources</td>
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<tr>
<td>Shared information</td>
<td>Redundant Administrative Effort</td>
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<td>Clear Overarching Goals</td>
<td>Conflicting/contradictory programs</td>
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Identifying Opportunities for financial benefits

- Cost Savings
  - Reduce or better manage DOF
  - Reduce Improper Payments
  - Contracting Reform
  - Information Systems

- Revenue enhancement
  - Tax issues
  - User Fees
  - Government Assets
Estimating Potential For Savings

• A best practice is to consider opportunities for cost savings/revenue enhancement when developing a potential finding/recommendation and to obtain or develop an estimate during the course of the audit work.

• Every cost savings estimate is unique and based on different methodologies, data, and assumptions.

• We may use precise dollar estimates (e.g., $5 billion) and notional estimates (e.g., hundreds of millions), depending on the source of data or assumptions we have to make about the future.
Estimating Actual Savings

- When possible, GAO estimates are based on “net economic costs,” which includes all dollar values (increases and decreases) as well as changes to expected benefits.

- Actual savings are always calculated *after* action is taken and cannot reuse estimates of potential savings that were previously reported. Actual savings at GAO are never notional estimates.
Major Savings for GAO

- Elimination of payments or modification of rules to cease/reduce spending:
  - Direct payments to farmers reduced by $44.5B
  - Reduced funding for Medicaid Demonstrations reduced by $36.8B
- Improved Contracting/Procurement processes
  - Weapon Systems acquisitions reduced by $36B
  - Use of Strategic Sourcing reduced costs by $10.6B
- Tax changes
  - Elimination of ethanol subsidy saved $29B
  - Improved IRS audits yielded $9.3B in additional revenue