

Highlights of [GAO-11-704T](#), a testimony before the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

The federal government holds more than 45,000 underutilized properties that cost nearly \$1.7 billion annually to operate, yet significant obstacles impede efforts to close, consolidate, or find other uses for these properties. GAO has designated federal real property management as a high-risk area, in part because of the number and cost of these properties. The Office of Management and Budget (OMB) is responsible for reviewing federal agencies' progress in real property management. In 2007, GAO recommended that OMB assist agencies by developing an action plan to address key obstacles associated with decisions related to unneeded real property, including stakeholder influences. In May 2011, the administration proposed legislation, referred to as the Civilian Property Realignment Act (CPRA), to, among other things, establish a legislative framework for disposing of and consolidating civilian real property and that could help limit stakeholder influences in real property decision making.

This statement identifies (1) progress the government has made toward addressing obstacles to federal real property management, (2) some of the challenges that remain and how CPRA may be responsive to those challenges, and (3) key elements of the Department of Defense's (DOD) base realignment and closure (BRAC) process that could expedite the disposal of unneeded civilian properties. To do this work, GAO relied on its prior work, and reviewed CPRA and other relevant reports.

View [GAO-11-704T](#) or [key components](#). For more information, contact David Wise at (202) 512-2834 or wised@gao.gov or Brian Lepore at (202) 512-4523 or leporeb@gao.gov.

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FEDERAL REAL PROPERTY

Proposed Civilian Board Could Address Disposal of Unneeded Facilities

What GAO Found

In designating federal real property management as a high-risk area, GAO reported that despite the magnitude and complexity of real-property-related problems, there was no governmentwide strategic focus on real property issues and governmentwide data were unreliable and outdated. The administration and real-property-holding agencies have subsequently improved their strategic management of real property by establishing an interagency Federal Real Property Council designed to enhance real property planning processes and implementing controls to improve the reliability of federal real property data.

Even with this progress, problems related to unneeded property and leasing persist because the government has not yet addressed other challenges to effective real property management, such as legal and financial limitations and stakeholder influences. CPRA is somewhat responsive to these challenges. For example, CPRA proposes an independent board that would streamline the disposal process by selecting properties it considers appropriate for public benefit uses. This streamlined process could reduce disposal time and costs. CPRA would also establish an Asset Proceeds and Space Management Fund that could be used to reimburse agencies for necessary disposal costs. The proposed independent board would address stakeholder influences by recommending federal properties for disposal or consolidation after receiving recommendations from civilian landholding agencies and independently reviewing the agencies' recommendations. CPRA does not explicitly address the government's overreliance on leasing, but could help do so through board recommendations for consolidating operations where appropriate. GAO is currently examining issues related to leasing costs and excess property.

Certain key elements of DOD's BRAC process—which, like CPRA, was designed to address obstacles to closures or realignments—may be applicable to the disposal and realignment of real property governmentwide. These elements include establishing goals, developing criteria for evaluating closures and realignments, estimating the costs and savings anticipated from implementing recommendations, and involving the audit community. A key similarity between BRAC and CPRA is that both establish an independent board to review agency recommendations. A key difference is that while the BRAC process places the Secretary of Defense in a central role to review and submit candidate recommendations to the independent board, CPRA does not provide for any similar central role for civilian agencies.