

GAO

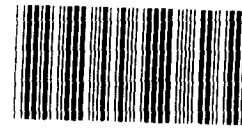
Testimony

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Transfer of the General Accounting Office
Building

Statement of
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Before the
Government Activities and
Transportation Subcommittee
Committee on Government Operations
House of Representatives



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Madam Chairman and Members of the Committee:

We appreciate the opportunity to appear here today in support of H.R. 5052, a bill that would transfer the custody and control of the General Accounting Office's (GAO) headquarters building located at 441 G Street, N.W., from the General Services Administration (GSA) to GAO.

The objective of this proposed legislation is:

-- To make the General Accounting Office--an agency of the Congress--more independent of executive branch budget and policy decisions affecting our headquarters facilities. Additionally, it would enable GAO to make significant efficiency and effectiveness gains--thereby reducing costs to the taxpayer.

It was GSA which first proposed that GAO take custody and control of its headquarters, and GSA supports this legislation. We have executed a formal memorandum of understanding to that effect, between GAO and GSA. We are prepared to work closely with GSA to facilitate a smooth transfer of building operations upon enactment.

Background

The GAO building was completed in 1951. Its seven stories contain approximately 1.1 million square feet of occupiable space and houses approximately 4,500 employees. The building

includes offices, eating facilities, and facilities for support services; such as health care, meetings and conferences, and GAO's central training facility.

Currently, about 3,000 GAO staff occupy five floors of the building. The Treasury Department, the Bureau of Labor Statistics (BLS), and GSA occupy the remaining space.

Legislative Objectives

The current arrangement requires that GAO obtain space in its headquarters building through GSA, which runs the building. We budget for and pay rent to GSA for space that we use. GSA performs routine building maintenance, capital improvements, building cleaning and upkeep, and other projects to the extent that administration funding and priorities permit. However, the GAO building competes with many other federal facilities for funds. Most of these are executive branch facilities. Thus the Office of Management and Budget (OMB) and GSA set priorities and make trade-offs between satisfying GAO's facility needs and those of executive branch agencies. This subjects GAO to priority setting decisions by OMB and the Administration with regard to facilities. As a arm of the Congress, we do not believe that GAO should be put in a position where it is subject to resource and priority limitations established by the executive branch.

The conflict among priorities is further strained by the fact that GAO's responsibilities include the audit and evaluation

of both GSA and OMB. For example, we are required to conduct financial audits of GSA; and we are presently conducting general management evaluations of both agencies' operations.

We believe that it is inappropriate for executive branch agencies--that GAO reviews and audits--to make decisions that affect the physical conditions and priorities under which we can do our work. GAO should not be required to obtain resources necessary to fulfill its mission from the agencies it is charged to audit and oversee. As a part of the legislative branch, we should be accountable directly and solely to the Congress and its oversight and appropriations committees.

I would like to point out that establishing GAO's independence from executive branch administrative control is not unprecedented. The General Accounting Office Personnel Act of 1980 removed GAO's personnel systems from the jurisdiction of the Office of Personnel Management for the same reasons of independence.

Operational Efficiency and Effectiveness

This bill would also allow us to enhance GAO's operating efficiency and effectiveness. I would like to discuss two particular areas in which significant benefits to the taxpayers will result:

- Asbestos removal and building modernization, and
- Consolidation of audit site staff.

The GAO building contains large quantities of asbestos in its air ducts, ceiling material, and pipe wrapping. With the exception of the Pentagon, it is the only federal building with an air distribution system made entirely of asbestos. At the time the building was built--almost 40 years ago--this was considered a major advancement in air handling technology. But the building's more than 35 miles of asbestos air ducts is old and, in places, is crumbling. It must be removed. Additionally, the major building systems--heating, ventilating, and air conditioning (HVAC); electrical; and lighting--need to be upgraded to support the agency's essential moves to modern equipment, particularly the large number of microcomputers used by our professional staff.

GSA has been working to renovate the building's systems since the early 1970s. It has been their responsibility to remove asbestos and replace the major systems, and GAO's responsibility to complete reconstruction at each location. This has necessitated multiple contracts and contractors, with accompanying coordination challenges. The project has been carried out in piecemeal fashion, resulting in unacceptably slow progress. The ongoing disruption of our organization has affected our operations.

To date, GSA has removed asbestos from the first and seventh floors and half of the second floor. This work took three times longer than originally planned. It has exhausted all funding authorized under the original prospectus. We are not certain how much of the project will be funded from year to year and consequently have difficulty making stable operating arrangements.

The disruption and delays created by this approach add to both the time required to complete the project and to the cost. At the current pace, an additional 12 to 15 years will be required to complete the project at an estimated additional cost of \$70 to \$80 million.

If GAO controlled the building and could proceed with a single coordinated contract for both asbestos removal and modernization, we believe the project could be completed in substantially less time and at substantially lower costs. Project costs would be reduced by implementing an accelerated project schedule and the efficiency and productivity of GAO staff would be enhanced by proper ventilation, adequate electrical outlets and lighting, and efficiently designed workstations.

GAO is currently paying GSA about \$19 million annually in rent. With no additional funding, we could perform normal building maintenance and fund the asbestos removal, and modernization at an accelerated pace.

The second area in which improvements will result from the Bill related to the many GAO audit sites and administrative support operations currently scattered throughout the Baltimore/Washington area. We have approximately 1,100 people in the Washington, D.C. area but outside the GAO headquarters building. They are at 60 locations occupying over 300,000 square feet of office space. About 700 of these people occupy leased space in numerous buildings throughout the city because space in the GAO building is occupied by executive branch agencies.

This is an inefficient arrangement. These GAO staffers are co-located neither with the agencies they are auditing nor with their managers in the GAO building. We believe that we could manage our work better and increase efficiency and productivity by bringing these people back to the GAO building, where they will be close to supervisors and essential services, such as publishing, editing, training and other administrative support.

Consolidating the Washington area staff would mean that the taxpayers would no longer have to pay rent to lease the space that these people now occupy. We have requested over the years that GSA provide us more space in the GAO building. To date, however, an unacceptable level of progress has been made vacating space occupied by executive branch agencies in the GAO headquarters building.

Our memorandum of understanding with GSA provides that GSA will relocate Treasury and the Bureau of Labor Statistics, thereby permitting us to accelerate asbestos removal and consolidate audit operations.

Conclusion

Enactment of H.R. 5052 will help assure GAO's independence from executive branch budget and priority setting. It will allow us to set our facilities priorities subject only to the oversight and jurisdiction of the Congress--to whom we report. It will also enable us to improve efficiency and effectiveness

by accelerating asbestos removal and modernization at significantly lower cost. And it will allow us to enhance our effectiveness and achieve economies by consolidating some dispersed audit activities. We can achieve these benefits without an increase in our current appropriation.

We have been working closely with GSA to formulate a plan for the orderly transition of ownership upon enactment of the bill, and we are ready to move ahead.

We would be happy at this time to answer any questions you have.