

MICHAEL B. ENZI, WYOMING, CHAIRMAN

CHARLES E. GRASSLEY, IOWA  
MIKE CRAPO, IDAHO  
LINDSEY O. GRAHAM, SOUTH CAROLINA  
PATRICK TOOMEY, PENNSYLVANIA  
RON JOHNSON, WISCONSIN  
BOB CORKER, TENNESSEE  
DAVID A. PERDUE, GEORGIA  
CORY GARDNER, COLORADO  
JOHN KENNEDY, LOUISIANA  
JOHN BOOZMAN, ARKANSAS  
TOM COTTON, ARKANSAS

BERNARD SANDERS, VERMONT  
PATTY MURRAY, WASHINGTON  
RON WYDEN, OREGON  
DEBBIE STABENOW, MICHIGAN  
SHELDON WHITEHOUSE, RHODE ISLAND  
MARK R. WARNER, VIRGINIA  
JEFF MERKLEY, OREGON  
TIM KAINE, VIRGINIA  
ANGUS S. KING Jr., MAINE  
CHRIS VAN HOLLEN, MARYLAND  
KAMALA D. HARRIS, CALIFORNIA

# United States Senate

COMMITTEE ON THE BUDGET

WASHINGTON, DC 20510-6100

TELEPHONE: (202) 224-0642 FAX: (202) 224-4835

ELIZABETH McDONNELL, REPUBLICAN STAFF DIRECTOR  
WARREN GUNNELS, MINORITY STAFF DIRECTOR  
[www.budget.senate.gov](http://www.budget.senate.gov)

October 2, 2018

The Honorable Emily W. Murphy  
Administrator  
General Services Administration  
1800 F Street, N.W.  
Washington, D.C. 20405

Dear Administrator Murphy:

The federal government operates a vast portfolio of real property. In 2016, this portfolio included approximately 267,000 buildings, 496,000 structures, and 42 million acres of land, all of which cost nearly \$26 billion to operate.<sup>1</sup> Managing this property presents major challenges for the General Services Administration (GSA) and the Office of Management and Budget (OMB). Indeed, the Government Accountability Office has had real property management on its High Risk List since 2003. But information disclosed by GSA, along with omissions of required information, raises concerns about how effectively the agency manages the federal government's real property.

The Federal Assets Sale and Transfer Act of 2016 (FASTA) requires GSA to publish a real property database that includes specific information about each property, such as its size, level of utilization, and annual operating costs.<sup>2</sup> The Federal Property Management Reform Act of 2016 (FPMRA) requires that the database include additional information, such as the costs related to capital expenditures.<sup>3</sup> This database helps inform Congress about the use of real property, such as whether it can be transferred or sold. Although the database—GSA's Federal Real Property Public Data Set<sup>4</sup>—includes much of the information required by law, key information is missing. The database excludes required annual operating costs, replacement

<sup>1</sup> GEN. SERV. ADMIN., 2017 FEDERAL REAL PROPERTY PROFILE OPEN DATA SET (FRPP) (2017), [https://www.gsa.gov/cdnstatic/FY2017\\_Open\\_Data-Set.xlsx](https://www.gsa.gov/cdnstatic/FY2017_Open_Data-Set.xlsx).

<sup>2</sup> Federal Assets Sale and Transfer Act of 2016, Pub. L. No. 114-287 (2016).

<sup>3</sup> Federal Property Management Reform Act of 2016, Pub. L. No. 114-318 (2016), (codified as amended at 40 U.S.C. § 524).

<sup>4</sup> GEN. SERV. ADMIN., FY 2017 CIVILIAN AGENCY PUBLIC FRPP (2018), <https://catalog.data.gov/dataset/federal-real-property-profile-data-for-civilian-agencies/resource/cff1291c-547d-46fd-8827-47c57f2d8239>.

value, and actual and projected capital expenditures to operate and maintain a property. These data are important because they can help inform future funding needs for operating, repairing, and replacing real property.

The FASTA database is not the only example where complete information about real property is lacking. An August 10, 2018, GSA Office of Inspector General (OIG) report, *GSA's Public Buildings Service Does Not Track and Report All Unused Leased Space as Required*,<sup>5</sup> found that in fiscal year 2016, GSA had not completely reported its unused leased space, as required by FPMRA, Federal Management Regulation 102, Executive Order 13327, and agency guidance. OIG identified 785,400 square feet of unused leased space representing \$21 million in annual rental payments that GSA did not report as required. The failure to report this important information has prevented the agency from taking steps to minimize leasing costs.

In addition, the information GSA has provided, particularly on leases, raises serious concerns. Although GSA's Monthly Lease Inventory provides helpful information about the leases the agency manages,<sup>6</sup> it reveals that many leased properties are not effectively utilized. Of the 6,523 leased properties that list an occupancy rate in the July 2018 inventory, 4,015 have occupancy rates that are less than 50 percent. The federal government spent \$7.1 billion on leases in 2017,<sup>7</sup> so these low occupancy rates are troubling.

Managing the federal government's vast portfolio of real property presents challenges, but effective management is essential to protect taxpayer dollars. To ensure that GSA is taking the necessary steps to manage federal real property effectively, I request the following information:

1. Why was information about total capital expenditures, estimated capital expenditures, annual operating costs, and replacement value omitted from the FASTA database? When will this information be included in the database?
2. Please provide estimates for annual projected operating costs for managing real property government-wide, as well as maintenance costs, and capital expenditures for each year over the next decade.
3. What steps are being taken to encourage agencies to utilize real property more efficiently and dispose of surplus or excess property? What progress was made in this area during 2016 and 2017?
4. Why do more than 4,000 leased properties have occupancy rates that are less than 50 percent? What is the cost associated with this underutilized space? What is GSA's target

<sup>5</sup> GEN. SERV. ADMIN., A160133/P/6/R18002, *GSA'S PUBLIC BUILDING SERVICE DOES NOT TRACK AND REPORT ALL UNUSED LEASE SPACE AS REQUIRED* (2018).

<sup>6</sup> GEN. SERV. ADMIN., *JULY 2018 EXTERNAL INVENTORY* (2018), [https://www.gsa.gov/cdnstatic/Real\\_Estate\\_Acquisitions/July\\_2018\\_External\\_Inventory.xls](https://www.gsa.gov/cdnstatic/Real_Estate_Acquisitions/July_2018_External_Inventory.xls).

<sup>7</sup> GEN. SERV. ADMIN., *2017 FEDERAL REAL PROPERTY PROFILE OPEN DATA SET (FRPP)* (2017), [https://www.gsa.gov/cdnstatic/FY2017\\_Open\\_Data-Set.xlsx..](https://www.gsa.gov/cdnstatic/FY2017_Open_Data-Set.xlsx..)

occupancy rate for leased space? What is GSA's plan to ensure its leased spaces are more effectively and efficiently utilized?

5. Why do approximately 1,565 buildings lack an identifiable occupancy rate in the July 2018 Monthly Lease Inventory? When will the occupancy rates be updated?
6. What are the criteria used to decide whether to acquire property through leasing or ownership? How often are these criteria reassessed?
7. Is there a government-wide strategy for lowering lease costs? If so, please provide.
8. What is GSA's corrective action plan to implement the recommendations included in the August 10, 2018, OIG report? What is the timeline for implementation?

Please provide your response in writing by November 2, 2018.

Thank you in advance for your prompt attention to this matter. If you have any questions about this request, please have your staff contact John Lin on the Budget Committee staff at 202-224-0642.

Sincerely,

A handwritten signature in black ink that reads "Michael B. Enzi". The signature is written in a cursive, slightly slanted style.

Michael B. Enzi  
Chairman