AMERICA BUILDS: MAKING FEDERAL REAL ESTATE WORK FOR THE TAXPAYER

(119–11)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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U.S. House of Representatives
Washington, DC 20515

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FEBRUARY 28, 2025

SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM:	Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
RE:	Subcommittee Hearing on "*America Builds: Making Federal Real Estate Work for the Taxpayer*"

I. PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management of the Committee on Transportation and Infrastructure will hold a hearing on Wednesday, March 5, 2025 at 2:00 p.m. E.T. in 2167 of the Rayburn House Office Building entitled, "*America Builds: Making Federal Real Estate Work for the Taxpayer*." The hearing will examine strategies to transform Federal real estate by consolidating, relocating, and selling unused and underutilized spaces. It will build on the Committee's work during the 118th Congress, highlighting recent reforms to compel Federal agencies to maximize or relinquish unused space. Participants will include the General Services Administration (GSA), the Government Accountability Office (GAO), and the Public Buildings Reform Board (PBRB). The hearing will also examine the findings of GAO's 2023 report on the Federal Government's utilization of its real estate portfolio, a report which GAO conducted at the Committee's request.

II. BACKGROUND

FEDERAL BUILDING FUND

In 1972, Congress authorized and established the Federal Buildings Fund (FBF) under the Public Buildings Act Amendments of 1972 (P.L. 92–313).[1] GSA funds new construction, alterations and repairs, building maintenance, and lease payments, as well as the Public Buildings Service (PBS), through commercially equivalent rental payments by GSA's tenant agencies into the FBF.[2] While the FBF is funded through agency rents paid to GSA, it is not a true revolving loan fund.[3] The funds are made available via annual appropriations bills.[4] GSA has not had full access to the FBF since 2011, when appropriators began using the FBF to offset other unrelated costs

[1] Pub. L. No. 92–313, 86 Stat. 216.
[2] GSA, *Federal Buildings Fund* (Feb. 1, 2021), *available at* https://www.gsa.gov/reference/reports/budget-performance/annual-reports/2020-agency-financial-report/managements-discussion-and-analysis/financial-statements-summary-and-analysis/federal-buildings-fund.
[3] *See* 40 U.S.C. § 592(c)(1).
[4] *Id.*

in the Financial Services and General Government appropriations bill.[5] The FBF accrued $11.9 billion in revenue in 2021, 59 percent of which was generated by five customer agencies: the Department of Justice, the Department of Homeland Security, the Federal Judiciary, the Social Security Administration, and the Department of the Treasury.[6]

FEDERAL REAL ESTATE PORTFOLIO

GSA currently manages more than 8,300 owned and leased assets, totaling over 365 million square feet, and 500 historic buildings.[7] GAO reports that operating, maintaining, and leasing office space costs more than $8 billion annually.[8] GSA has made efforts to reduce the amount of leased space, but the portfolio remains underutilized. With more than half of GSA's operating leases (96 million square feet) expiring in the next five years, GSA must pivot to an efficient, cost-effective, and modern portfolio.[9] While reviewing 24 headquarters buildings in 2023, GAO found that 17 of the agencies under review were utilizing 25 percent or less of their capacity.[10] That same year, anonymized cell phone data showed an average building occupancy of 12 percent from January to September due to the sustained prevalence of remote and hybrid work models among the Federal workforce.[11]

There have also been increasing reports of "shadow" or "dark" space in Federal buildings and leases—unassigned, unused space.[12] On January 20, 2025, the White House directed all departments and agencies of the Executive Branch to terminate remote work arrangements and require employees to return to work in-person at their respective duty stations.[13] Given all these factors, GSA has a unique opportunity to significantly reduce space and dispose of underutilized and unused Federal real estate.

ECONOMIC IMPACT IN THE D.C. METROPOLITAN AREA

At the end of 2024, office occupancy in Washington, D.C. hit a new post-pandemic low of 19.9 percent.[14] The high vacancy rates have significant economic implications for the District, particularly in the downtown area, as a surplus of available office space can lead to a decline in property assessment values.[15] The D.C. government found that 86 percent of its commercial office buildings are expected to lose more than $12 billion in real estate value, which would have a significant negative effect on municipal tax rolls.[16]

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[5] GSA, FISCAL YEAR 2024 CONGRESSIONAL JUSTIFICATION, FEDERAL BUILDINGS FUND (2024), *available at* https://www.gsa.gov/reference/reports/budget-and-performance/annual-budget-requests/previous-congressional-justifications/fy2024-congressional-justifications.

[6] GSA, 2021 AGENCY FINANCIAL REPORT (2021), *available at* https://www.gsa.gov/system/files/GSA__AFR__FY21.pdf.

[7] Press Release, GSA, *GSA Accelerates Efforts to Right-size Federal Real Estate with Plans for 1.5 Million Square Feet in Reductions and More than $475 Million in Cost Avoidance to Taxpayers* (Dec. 4, 2024), *available at* https://www.gsa.gov/about-us/newsroom/news-releases/gsa-accelerates-efforts-to-rightsize-federal-real-estate-12042024.

[8] GAO, GAO–24–106919, FEDERAL REAL PROPERTY: ACTIONS NEEDED TO BETTER ASSESS OFFICE SHARING PILOT'S BROADER APPLICABILITY (2024), *available at* https://www.gao.gov/products/gao-24-106919.

[9] GSA, *Inventory of GSA Owned and Leased Properties* (Sept. 9, 2022), *available at* https://www.gsa.gov/tools-overview/buildings-and-real-estate-tools/inventory-of-gsa-owned-and-leased-properties.

[10] GAO, GAO–23–107060, FEDERAL REAL PROPERTY: PRELIMINARY RESULTS SHOW THAT INCREASED TELEWORK AND LONGSTANDING CHALLENGES LED TO UNDERUTILIZED FEDERAL BUILDINGS (2023), *available at* https://www.gao.gov/products/gao-23-107060.

[11] PBRB, PUBLIC BUILDINGS REFORM BOARD FINAL INTERIM REPORT TO CONGRESS (Mar. 21, 2024), *available at* https://www.pbrb.gov/files/2024/03/3.21.24-FINAL-PBRB-Interim-Report.pdf.

[12] GSA, *Unused & Underused Space* (Jan. 25, 2023), *available at* https://www.gsa.gov/real-estate/gsa-properties/unused-underused-space.

[13] THE WHITE HOUSE, RETURN TO IN-PERSON WORK (Jan. 20, 2025) *available at* https://www.whitehouse.gov/presidential-actions/2025/01/return-to-in-person-work/.

[14] Jeff Clabaugh, *Upside to Downsizing for D.C.'s Office Market?*, WTOP NEWS (Jan. 13, 2025), *available at* http://wtop.com/business-finance/2025/01/upside-to-downsizing-for-dcs-office-market-more-trophy-demand/.

[15] Daniel Muhammad, D.C. OFFICE OF REVENUE ANALYSIS, *The Increasing Levels of Vacant Office Space: The Achilles' Heel of DC's Office Market*, (July 15, 2024), *available at* http://ora-cfo.dc.gov/blog/increasing-levels-vacant-office-space-achilles%E2%80%99-heel-dcs-office-market.

[16] *Id.*

ALTERNATIVE FINANCING

Following scoring rules changes in 1991, the Office of Management and Budget (OMB) prohibited GSA from negotiating discounted purchase options in its leases.[17] Discounted purchase options provide the ability for the Federal Government to decide at the end of a lease whether it wants to purchase the property at a discounted purchase price, negotiated and included in the initial leasing term, rather than continuing to lease, which effectively causes the government to pay beyond the cost to construct the building outright while garnering no equity.[18] Although GSA is allowed to negotiate purchase options for full market value, those purchase options do not account for the funding the Federal Government may have already invested in a leased property.[19]

The Department of Transportation (DOT) headquarters in Southeast Washington, D.C., is a prime example. GSA sold 11 acres of land to JBG Companies, with an agreement for JBG to construct a new building, and upon completion, GSA would lease the space through a 15-year operating lease set to expire in 2021.[20] When the lease expired, GSA had two options: lease the space for an additional ten years or purchase the property at fair market value.[21] However, due to massive redevelopment, real estate value had increased an average of 41 percent in Southeast Washington, D.C., since 2009.[22] Not only did GSA have no equity with an annual lease payment of $64.5 million over the 15 year term, but they had to pay a much higher cost for fair market value than would have been negotiated in 2006 when the lease agreement was signed.[23]

H.R. 2220, to Amend title 40, United States Code, to Modify the Treatment of Certain Bargain-Price Options to Purchase at Less than Fair Market Value, was enacted in December 2022 (P.L. 117–257). This law conforms GSA's leasing authority to OMB scoring rules that would allow for GSA to negotiate discounted purchase options.[24] However, OMB refused to allow GSA to implement the legislation. On May 10, 2023, the Committee sent a letter to OMB urging the agency to implement H.R. 2220.[25]

OMB has also prohibited GSA from utilizing, or even testing, the use of Public-Private Partnerships (P3s) to attract private investment in Federal building projects.[26] While GSA has the legal authority to execute such arrangements, OMB will score these activities as "capital" leases, instead of operating leases.[27] "Capital" leases require GSA to obligate the entire cost of the multi-year lease upfront, as opposed to an operating lease which is scored on an annual basis.[28] P3s would provide options for the Federal Government to leverage the value of owned land to replace aging facilities and make a profit.[29]

III. PRIOR COMMITTEE ACTIONS

FREEZE/REDUCE THE FOOTPRINT

In 2013, the Obama Administration's OMB announced the "Freeze the Footprint" initiative, which directed Federal agencies to offset requests for new space with dis-

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[17] Dorothy Robyn, *Reforming Federal Property Procurement: The Case for Sensible Scoring*, BROOKINGS (Apr. 24, 2014), *available at* https://www.brookings.edu/blog/fixgov/2014/04/24/reforming-federal-property-procurement-the-case-for-sensible-scoring/.

[18] *Id.*

[19] *Id.*

[20] Andy Winkler, et al., *Fixing Federal Infrastructure: The $750 Million DOT Headquarters and the Perverse Effects of Budget Scoring*, BIPARTISAN POLICY CENTER, (July 13, 2017), *available at* https://bipartisanpolicy.org/blog/fixing-federal-infrastructure-the-750-million-dot-headquarters-and-the-perverse-effects-of-budget-scoring/.

[21] *Id.*

[22] *Id.*

[23] *Id.*

[24] Pub. L. No. 117–257, 136 Stat. 2371.

[25] Letter from Sam Graves, Chairman, H. Comm. on Transp. & Infrastructure to Shalanda Young, Director, OMB (May 10, 2023) (on file with Comm.).

[26] Kim Slowey, *P3s: A growing alternative with potential to capitalize on 'privatized innovation'* CONSTRUCTION DIVE (Mar. 23, 2016), *available at* https://www.constructiondive.com/news/p3s-a-growing-alternative-with-potential-to-capitalize-on-privatized-inno/416190/ [hereinafter Slowey].

[27] GSA, PBS LEASING DESK GUIDE, APPENDIX F, DETERMINATION OF OPERATING OR CAPITAL LEASE CLASSIFICATION FOR BUDGET SCORING (2023), *available at* https://www.gsa.gov/system/files/General/Appendix__F__Determination__of__Operating__or__Capital__Lease__Classification__for__Budget__Scoring__C.pdf.

[28] Kurt Stout, *Federal Leasing 101: What is Scoring?*, COLLIERS, (June 25, 2015), *available at* https://knowledge-leader.colliers.com/kurt-stout/federal-leasing-101-what-is-scoring/.

[29] Slowey, *supra* note 27.

posal of unneeded space.[30] Subsequently, in 2015 the initiative progressed into "Reduce the Footprint" with targeted reductions to the Federal Government's real estate profile.[31] These efforts did result in the shrinking of the Federal footprint, with an 8.2 million square footage reduction from fiscal year (FY) 2016 to FY 2020, but did little to assess actual space utilization, and instead focused on the official number of employees assigned to a given building.[32]

Federal Assets Sale and Transfer Act (FASTA) and the FASTA Reform Act of 2023

In 2016, FASTA was enacted, which established a temporary board—the Public Buildings Reform Board (PBRB)—composed of non-governmental experts to make recommendations to OMB on the sale, disposal, or redevelopment of high value, underused or unneeded Federal real property.[33] OMB would then approve or disapprove the packages of proposals and, if approved, GSA would execute the recommendations, allowing agencies to retain a portion of the proceeds.[34] Under FASTA, agencies would be able to retain a portion of the sale proceeds from such transactions as an incentive to dispose of excess properties, but they would not be able to access those funds until after the termination of the Board.[35] FASTA also codified the Federal Real Property Profile (FRPP) government-wide database of real property and made it available to the public.[36]

In 2024, Congress passed the FASTA Reform Act of 2023, which extended the authorization and enhanced the authority of the PBRB and required the board to report annually to Congress on Federal properties it recommends for disposal.[37] The FASTA Reform Act enables agencies to access these incentive funds more quickly, fostering better collaboration and increasing the efficiency of the Federal property management system for taxpayers.[38]

Public Buildings Reforms in the Water Resources Development Act of 2024

Last Congress, Title III of the Thomas R. Carper Water Resources Development Act (WRDA) of 2024 introduced new authorities to improve the management of Federal real estate.[39] In addition to the FASTA Reform Act, other reforms were enacted to ensure that the Federal real estate portfolio is better aligned with current operational needs.

The Utilizing Space Efficiency and Improving Technologies (USE IT) Act of 2023 mandates GSA and OMB establish standardized methods for measuring office occupancy across Federal agencies.[40] The Act introduces a government-wide 60 percent occupancy metric, directing Federal agencies to consolidate, repurpose, or sell underused office space to increase operational efficiency and reduce real estate costs.[41] This initiative aims to maximize space utilization, particularly in light of the ongoing shift to hybrid and remote work models.[42] The USE IT Act also specifically directs that department and agency headquarters buildings in the National Capital Region be consolidated and excess space sold to meet the minimum 60 percent occupancy metric.[43]

The Federal Use It or Lose It Leases (FULL) Act requires GSA and tenant agencies to annually report their office space utilization rates to Congress.[44] Under the FULL Act, if an agency's utilization rate falls below the 60 percent threshold for six months out of a year, the tenant agency would be required to return that

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[30] Press Release, The White House, *Freezing the Footprint*, (Mar. 14, 2013), *available at* https://obamawhitehouse.archives.gov/blog/2013/03/14/freezing-footprint.

[31] OMB, Performance.Gov, *Reduce the Footprint*, (Mar. 25, 2015), *available at* https://obamaadministration.archives.performance.gov/initiative/reduce-footprint.html.

[32] OMB, Performance.Gov, *Real Property Metrics*, GSA, *available at* https://www.performance.gov/real-property-metrics/; *see also* GAO, GAO–22–105105, Federal Real Property: GSA Could Further Support Agencies' Post-Pandemic Planning for Office Space Use (2022), *available at* https://www.gao.gov/products/gao-22-105105.

[33] FASTA Reform Act of 2023, Pub. L. No. 114–287, 130 Stat. 1463.

[34] *Id.*

[35] *Id.*

[36] *Id.* at § 21.

[37] FASTA Reform Act of 2023, Pub. L. No. 118–272.

[38] *Id.*

[39] WRDA, Pub. L. No. 118–272.

[40] Utilizing Space Efficiency and Improving Technologies Act of 2023, Pub. L. No. 118–272.

[41] *Id.*

[42] PBRB, Public Buildings Reform Board Final Interim Report to Congress (Mar. 21, 2024), *available at* https://www.pbrb.gov/files/2024/03/3.21.24-FINAL-PBRB-Interim-Report.pdf.

[43] Utilizing Space Efficiency and Improving Technologies Act of 2023, Pub. L. No. 118–272.

[44] Federal Use It or Lose It Leases Act, Pub. L. No. 118–272.

underused space to GSA.[45] This provision creates an incentive for agencies to actively manage their real estate holdings and reduce the financial burden of maintaining vacant or underutilized property.

IV. PARTICIPANTS

- David Marroni, Director, Physical Infrastructure, Government Accountability Office
- David Winstead, Board Member, Public Buildings Reform Board

[45] *Id.*

AMERICA BUILDS: MAKING FEDERAL REAL ESTATE WORK FOR THE TAXPAYER

WEDNESDAY, MARCH 5, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 2:03 p.m. in Room 2167, Rayburn House Office Building, Hon. Mike Ezell (Member of the subcommittee) presiding.

Mr. EZELL. The Subcommittee on Economic Development, Public Buildings, and Emergency Management will come to order.

I ask unanimous consent that the chairman be authorized to declare a recess at any time during today's hearing.

Without objection, so ordered.

I also ask unanimous consent that Members not on the subcommittee be permitted to sit with the subcommittee at today's hearing and ask questions.

Without objection, so ordered.

As a reminder, if Members wish to insert a document into the record, please also email it to DocumentsTI@mail.house.gov.

I now recognize myself for the purpose of an opening statement for 5 minutes.

OPENING STATEMENT OF HON. MIKE EZELL OF MISSISSIPPI, MEMBER, SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

Mr. EZELL. I want to thank our witnesses for being here today to discuss how we can make Federal real estate work for the American taxpayer.

At the beginning of last Congress, this subcommittee hosted a roundtable with industry stakeholders to help Members better understand current market trends in office space and how to right-size the Federal real estate portfolio.

Building on that roundtable, this subcommittee held a hearing that highlighted a report published by the Government Accountability Office on the use of space for Federal agencies in their headquarters buildings. The information that GAO uncovered in this report was shocking. While many Federal workers' workspace was underused, I don't think any of us expected to see just how devastating the usage numbers are. GAO found that a majority of the agencies reviewed used 25 percent or less of their headquarters building space. In the case of some agencies, the utilization rate was closer to 9 percent. Let that number sink in, 9 percent.

Even under the Trump administration's return to the office directives, we know there will be unused space, because in the same report, at least one agency admitted that even if 100 percent of their employees returned to the office, 33 percent of their space would still be empty.

As Mr. Marroni has testified in previous hearings, the Federal Government spends $2 billion a year to operate and maintain Federal office buildings, regardless of whether the building is being used. This means that American taxpayers are literally paying billions for Federal office space just to sit empty.

In response to the findings from GAO, subcommittee members put forward a slate of bills to improve the use of office space, increase the transparency, and hold agencies accountable. Two key pieces of legislation enacted included, first, the USE IT Act, which sets targets for space usage, requires deployment of technology to count actual employees using Government space, and establishes timelines, meaning if agencies don't use their space, they will lose it. Secondly, the FASTA Reform Act strengthens the authority of the Public Buildings Reform Board to identify Federal properties that should be sold.

On January 5, 2025, these reforms and others put forth by committee members became law as part of the Water Resources Development Act, or WRDA, of 2024. With some deadlines in those reforms approaching quickly, I look forward to working with GSA, OMB, and the Public Buildings Reform Board on WRDA implementation. I am pleased that the Trump administration hit the ground running by identifying the waste in Federal real estate and promptly taking action to ensure that taxpayer dollars are not wasted on empty buildings.

This is not a partisan issue: even the mayor of Washington, DC, has highlighted the negative impact of empty Federal offices on the local economy here in DC.

American taxpayers expect Congress to hold the Federal Government accountable for all of its wasteful spending, and I look forward to working with the Trump administration to achieve results for our constituents. Getting a handle on the waste in Federal real estate can save the taxpayers billions of dollars annually. Members of both parties should be supportive of this goal.

[Mr. Ezell's prepared statement follows:]

Prepared Statement of Hon. Mike Ezell, a Representative in Congress from the State of Mississippi, and Member, Subcommittee on Economic Development, Public Buildings, and Emergency Management

I want to thank our witnesses for being here today to discuss how we can make federal real estate work for the American taxpayer.

At the beginning of last Congress, the Subcommittee hosted a roundtable with industry stakeholders to help Members better understand current market trends in office space and how to right-size the federal real estate portfolio. Building upon that stakeholder roundtable, the Subcommittee held a hearing that highlighted a report published by the Government Accountability Office (GAO) on space utilization for federal agencies in their headquarters buildings. The information that GAO uncovered in their report was shocking.

While many knew federal space was underused for a long time, I don't think any of us expected to see such devastating usage numbers. Specifically, GAO found that a majority of the agencies reviewed used 25 percent or less of their headquarters buildings' space. In the case of some agencies, that utilization rate was closer to nine percent. Let that number sink in, nine percent.

Even under the Trump Administration's return to the office directives, we know there will still be unused space because in that same GAO report, at least one agency admitted that even if 100 percent of their employees returned to the office, 33 percent of their space would still be empty.

As Mr. Marroni has testified to in previous hearings, the federal government spends two billion dollars a year to operate and maintain federal office buildings, regardless of whether the building is being used. This means that American taxpayers are literally paying billions for federal office space to just sit empty.

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I am pleased that the new Administration hit the ground running by identifying the waste in federal real estate and promptly taking action to ensure that taxpayer dollars are not wasted on empty buildings.

This is not a partisan issue—even the Mayor of Washington, DC, has highlighted the negative impact of empty federal offices on the local economy here in the Nation's capital. American taxpayers expect Congress to hold the federal government accountable for all of its wasteful spending, and I look forward to working with the Trump Administration to achieve results for our constituents.

Getting a handle on the waste in federal real estate can save the taxpayers billions of dollars annually. Members of both parties should be supportive of this goal.

Mr. EZELL. I now recognize the ranking member, the Honorable Mr. Stanton, for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. GREG STANTON OF ARIZONA, RANKING MEMBER, SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT

Mr. STANTON. Thank you very much, Mr. Chairman. And before I talk about the issue at hand, I just want to speak on behalf of all Members of Congress that are present.

We lost a colleague last night. Our colleague, Sylvester Turner, a brandnew Congress Member representing Houston, the former mayor of Houston, and before that, a member of the State legislature, sadly passed away after the State of the Union. And I just—I have known him for many, many years as a former mayor myself. In fact, he and I had a chance to work together when Houston hosted the Final Four, and then Phoenix was the next city to host the Final Four the next year. So he trained me up, if you will, on how to be a good host for the Final Four. He is a legend of public service in Texas, and we are glad to have the time that we had with him here in the United States Congress. We offer our condolences to his family and to all of the people of Houston. We will miss him.

Today, we are here to talk about the General Services Administration's Public Buildings Service. GSA is the agency in charge of managing Government buildings, essentially the Federal Government's real estate agent.

Now, many public buildings are underutilized. That is a sentiment shared by both Republican and Democratic administrations in the past. But rather than going through the proper channels to measure building utilization, the Trump administration moved straight to the lease termination and building disposal stage, announcing plans to dispose of more than 400 buildings and terminate 2,500 leases, more than half of the GSA's real estate portfolio.

To be clear, this Congress, in a bipartisan way, agrees that we need improved efficiency. In fact, as the chair mentioned, the 2024 Water Resources Development Act, which was signed into law by President Biden in January, directed GSA, the Office of Management and Budget, and Federal agencies to measure building utilization over a 2-month period and dispose of space if utilization was below 60 percent.

There is a logical and orderly way to do this, but the Trump administration clearly has no intention of following the WRDA directive. Instead, there has been mass confusion.

Landlords are getting termination letters that their tenants know nothing about. Parties in the middle of lease negotiations don't know what to do.

These space disposals are happening at the same time President Trump has mandated a return to work for all Federal employees at the same time that they are making mass layoffs among Federal employees. This appears to be a policy at war with itself.

Federal employees are returning to the offices that are being disposed of.

Landlords are getting termination notices for leases that are still in the firm term period.

Constituents are concerned that they will not have access to VA health centers, Social Security field offices, or customer service for IRS needs if they want to do anything face to face.

All of this is happening, and the GSA staff can't or won't communicate. In fact, to get information, we have had to rely on word of mouth from Federal employees and reports on the DOGE website, which lists hundreds of lease terminations—Social Security offices, VA offices, and IRS offices—while we are in the swing of tax season.

In my home State of Arizona, the list includes the Small Business Administration, the Bureau of Indian Affairs, the Railroad Retirement Board, the Forest Service Supervisor's Office—the entity that processes permits and disseminates information for the entirety of the Tonto National Forest northeast of my district, the largest national forest in our State.

The Forest Service building is an important hub for monitoring Tonto. If this building is shuttered, we don't know where this work will be done. It is a concern for those of us as we enter the fire season in the State of Arizona. The loss of those buildings can have implications. With the loss of a supervisor's office, this could mean problems for communication and coordination for wildfire response in our national forests.

As you can tell, I have a lot of questions about all of this. And a few weeks ago, I met with the GSA's new Commissioner of Public Buildings, Mike Peters, who was leading the Trump administration's Federal real estate right-sizing efforts. Commissioner Peters, at that meeting with me, accepted an invitation to participate in this hearing, and for some reason—we don't know why—he has changed his mind, and he is not present today. I don't understand. We need to provide oversight over this process.

Commissioner Peters has a responsibility to be here to explain this to Congress so that we can provide our appropriate oversight duties. So instead of asking Commissioner Peters my questions, I will pose my questions to the two witnesses who are here today—and thank you for being here—Dave Winstead from the Public Buildings Reform Board and David Marroni from the Government Accountability Office.

Mr. Marroni, thank you for testifying before the subcommittee and sharing your research and knowledge of Federal real estate. I admire your fortitude.

Mr. Winstead, thank you for your public service on the Public Buildings Reform Board, and I look forward to hearing how the Board identifies underutilized Federal assets and how the process of recommending disposals to GSA and OMB can be improved upon.

Thank you, Mr. Chairman, I yield back.

[Mr. Stanton's prepared statement follows:]

Prepared Statement of Hon. Greg Stanton, a Representative in Congress from the State of Arizona, and Ranking Member, Subcommittee on Economic Development, Public Buildings, and Emergency Management

Mr. Chairman, thank you for holding this hearing.

Today, we're here to talk about the General Services Administration's Public Buildings Service. GSA is the agency in charge of managing government buildings—essentially the federal government's real estate agent.

Now, many of these public buildings may be underutilized—that is a sentiment that has been shared by both Republican and Democrat Administrations in the past. But rather than going through the proper channels to measure building utilization, the Trump Administration moved straight to the lease termination and building disposal stage, announcing plans to dispose of more than 400 buildings and terminate 2,500 leases—more than half of the GSA's real estate portfolio.

To be clear, Congress—in a bipartisan way—agrees we need efficiency. In fact, the 2024 Water Resources Development Act, which was signed into law by President Biden in January, directed GSA, the Office of Management and Budget and federal agencies to measure building utilization over a two-month period and dispose of space if utilization was below 60 percent.

There is a logical way to do this. But the Trump Administration clearly has no intention of following the WRDA directive. Instead, there has been mass confusion.

Landlords are getting termination letters that their tenants know nothing about. Parties in the middle of lease negotiations don't know what to do.

These space disposals are happening at the same time President Trump mandated a return to work for all federal employees. This is a policy at war with itself.

Federal employees are returning to offices that are being disposed of.

Landlords are getting termination notices for leases that are still in firm term.

Constituents are concerned that they will not have access to VA health centers and Social Security field offices.

All of this is happening, and GSA staff can't or won't communicate.

In fact, to get information, we've had to rely on word-of-mouth from federal employees and reports on the DOGE website, which lists hundreds of lease terminations—Social Security offices, VA offices and IRS offices—while we're in the swing of tax season.

In my home state of Arizona, the list includes the Small Business Administration, the Bureau of Indian Affairs, the Railroad Retirement Board and the Forest Service supervisor's office—the entity that processes permits and disseminates information for the entirety of Tonto National Forest northeast of my district, the largest national forest in the state.

The Forest Service building is an important hub for monitoring Tonto. If this building is shuttered, we do not know where this work will get done.

The loss of these buildings can have implications—with the loss of the supervisor's office, I have concerns about what this could mean for communication and coordination of wildfire response in the National Forest.

As you can tell, I have a lot of questions about all of this.

A few weeks ago, I met with GSA's new Commissioner of Public Buildings Mike Peters who is leading the Trump Administration's federal real estate right-sizing efforts.

Commissioner Peters accepted an invitation to participate in this hearing, and then he changed his mind.

I don't understand. We need to provide oversight of this process. Commissioner Peters has a responsibility to be here.

Instead of asking Commissioner Peters my questions, I will pose my questions to the two witnesses who are participating today: David Winstead from the Public Buildings Reform Board and David Marroni from the Government Accountability Office.

Mr. Marroni, thank you for once again testifying before this subcommittee and sharing your research and knowledge of federal real estate. I admire your fortitude.

Mr. Winstead, thank you for your service on the Public Buildings Reform Board. I look forward to hearing how the Board identifies underutilized federal assets and how the process of recommending disposals to GSA and OMB can be improved upon.

Thank you, Mr. Chairman, and I yield back the balance of my time.

Mr. EZELL. The gentleman yields back. I now recognize Mr. Larsen, the ranking member.

OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. LARSEN OF WASHINGTON. Thank you, Mr. Chairman. Congratulations. You have now two chairmanships on this committee.

Mr. EZELL. I am telling you.

[Laughter.]

Mr. LARSEN OF WASHINGTON. Congratulations. I want to thank Ranking Member Stanton, as well, and thank you for holding this timely hearing on the state of Federal real estate.

So, recent administration actions to reduce both telework and the Federal real estate footprint have created confusion and upheaval within the Federal real estate landscape. And the proposed changes have the potential to have a negative impact on the workforce, on communities where the workforce lives, the private-sector landlords, and on construction contractors.

Now, the GSA owns 1,500 buildings and has about 7,500 private-sector leases. According to press reports, the administration plans to reduce GSA's owned and leased portfolio by 50 percent.

In justifying this push for property disposals, GSA's new Public Buildings Commissioner has pointed to "guidance" from the 2024 WRDA bill, which many of us worked on. But WRDA did not direct the GSA to jump immediately to large-scale disposals. The WRDA bill directed GSA and OMB to work with agencies to measure building occupancy over a 2-month period before making any recommendations for space disposals.

Congress gave GSA steps 1 through 5, but GSA is skipping from step 1 directly to step 5. That is causing confusion and chaos in the

Federal real estate market. The lease terminations are happening quickly and at the same time as there is a return-to-office mandate, as well as the firings, as well as the RIFs. But how can an agency know how much space they require if they don't know how many employees they will have?

The only certainty we have is a certain lack of clarity from the administration. These actions are reckless and potentially very costly for taxpayers. For example, last week, the National Transportation Safety Board was notified that its lease was going to be terminated in 4 months. It is my understanding, although we don't have any proof of this in writing, it is my understanding that the termination decision has now been reversed. It is fortunate that the NTSB was not put in this position of having only 4 months to move not just their offices but their laboratory space while also investigating 1,195 transportation accidents and incidents at the same time, including the recent mid-air collision near Reagan National Airport.

After consistently declining to provide staff with information about building disposals, late yesterday, GSA shared a list of 400-plus "non-core assets being considered for divestment from Government ownership." The list included the Bonneville Power Administration, or BPA, headquarters building in Portland. Many utilities in Washington State and throughout the Pacific Northwest, including the largest public utility in my district, get large amounts of their power from the BPA system.

The selling of the building would be very disruptive to BPA's operations and, therefore, to ratepayers throughout the Pacific Northwest, especially disruptive to all the employees who have been ordered to return to work, to work in the office, which is fine, and I support that they do that, but they need a place to go to.

Now, BPA leases the building from the GSA and pays for the lease with ratepayer money, not taxpayer money. I pay for the lease space at BPA because I pay rates to my public utility district. I don't think anyone else in this room does that. Selling this building would not lead to taxpayer savings from the BPA budget.

People are confused about GSA's activities, and Congress has little visibility into what exactly GSA is doing. And I don't know if GSA knows what it is doing. My own staff is largely getting news of GSA activities from the press, from a Reddit thread titled "GSA RIF megathread"—you will never hear me say that again——

[Laughter.]

Mr. LARSEN OF WASHINGTON [continuing]. And occasionally from ex-GSA employees. One building owner was told that GSA was terminating a lease, but because that lease was still in its firm term, GSA was obligated to pay for the space until 2029.

GSA's actions have led to confusion amongst the project managers, general contractors, and engineers who are working on construction projects for GSA's Public Buildings Service. GSA recently rescinded the P100 Facilities Standards which established the design, architecture, engineering, fire protection, historic preservation, and performance requirements for new buildings and major repair and alteration projects.

How does this rescission of the design standards impact construction and renovation projects? Do they need to be redesigned? Do contracts need to be redrafted?

Delay and risk are challenging for contractors and expensive for the Government, and therefore for taxpayers.

On January 24th, GSA paused all acquisitions and lease activities, including the National Deep Energy Retrofit program, and according to one publicly traded energy company, "the current NDER pause may have detrimental impacts on projects currently in construction. We"—that is, this company—"have spent substantial sums on project design, engineering, material procurement, and employee hiring. A prolonged pause of these projects will negatively impact business investment and chill business certainty."

So, I too am disappointed that Mr. Peters is not with us today, but I do have some questions that we are sending to him:

If agency headcounts are in flux, how does GSA know how much space agencies need?

Does GSA have the funding and authority to pay expenses associated with closing offices, eliminating leases, and relocating agencies to new space?

As GSA cuts its own budget and staff, who is going to do the labor-intensive work of terminating leases and relocating agencies? Is GSA going to hire contractors to replace Federal employees?

So, Director Marroni and Mr. Winstead, I hope you can answer some of these questions. I don't expect you to be able to answer all those questions, but based on your experience, I hope we can get some insight into that. I look forward to your testimony and hope you will be able to answer some of my questions.

And with that, I yield back.

[Mr. Larsen of Washington's prepared statement follows:]

Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure

Chairman Ezell and Ranking Member Stanton, thank you for holding this timely hearing on the state of federal real estate.

Recent Administration actions to reduce both telework and the federal footprint have created confusion and upheaval within the federal real estate landscape. The proposed changes have the potential to have a negative impact on the federal workforce, communities, private sector landlords and construction contractors.

The General Services Administration (GSA) owns 1,500 buildings and has about 7,500 private-sector leases.

According to press reports, the Administration plans to reduce GSA's owned and leased portfolio by 50 percent.

In justifying this push for property disposals, GSA's new Public Buildings Commissioner has pointed to "guidance" from the WRDA 2024 bill.

But WRDA did not direct GSA to jump immediately to large-scale disposals. The WRDA bill directed GSA and OMB to work with agencies to measure building occupancy over a two-month period before making recommendations for space disposals. Congress gave GSA steps one through five, but GSA is skipping from step one directly to step five. That is causing confusion, chaos, in federal real estate.

The lease terminations are happening quickly and at the same time as return-to-office mandates, firings and RIFs.

But how can an agency know how much space they require if they don't know how many employees they will have?

The only certainty we have is a certain lack of clarity.

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The list included the Bonneville Power Administration's (BPA) HQ building in Portland.

Many utilities in Washington state and across the Pacific Northwest, including the largest public employer in my district, get large amounts of their power from BPA and hundreds of federal employees work in that building.

Selling the building would be very disruptive to BPA's operations in the Pacific Northwest, especially as all employees have been ordered to return to work. I support that, but they need a place to go to.

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One building owner was told that GSA was terminating a lease, but because that lease was still in its firm term, GSA was obligated to pay for the space until 2029.

GSA actions have also led to confusion amongst the project managers, general contractors and engineers who are working on construction projects for GSA's Public Buildings Service (PBS).

GSA recently rescinded the P–100 Facilities Standards which establish the design, architecture, engineering, fire protection, historic preservation and performance requirements for new buildings and major repair and alteration projects.

How does the rescission of the design standards impact construction and renovation projects? Do they need to be redesigned? Do contracts need to be redrafted? Delay and risk are challenging for contractors and expensive for the government, and therefore for taxpayers.

On January 24th, GSA paused all acquisitions and lease activities including the National Deep Energy Retrofit program (NDER). According to one publicly traded energy company, "the current NDER pause may have detrimental impacts on projects currently in construction. We have spent substantial sums on project design, engineering, material procurement, and employee hiring. A prolonged pause of these projects will negatively impact business investment and chill business certainty."

I, too, am disappointed that GSA's new Commissioner of Public Buildings Mike Peters is not with us today. I have questions we are sending to him:

- If agency headcounts are in flux, how does GSA know how much space agencies need?
- Does GSA have the funding and the authority to pay expenses associated with closing offices, eliminating leases and relocating agencies to new space?
- As GSA cuts its budget and staff, who is going to do the labor-intensive work of terminating leases and relocating agencies? Is GSA going to hire contractors to replace federal employees?

So, Director Marroni and Mr. Winstead, I hope you can answer some of these questions. I don't expect you to be able to answer all of these questions, but based on your experience, I hope we can get some insight on that. I look forward to your testimony and hope that you will be able to help answer some of my questions.

Thank you, Mr. Chairman. I yield back.

Mr. EZELL. The gentleman yields. I would now like to welcome our witnesses and thank them for being here today.

Briefly, I would like to take a moment to explain our lighting system to our witnesses. There are three lights in front of you.

Green means go, yellow means you are running out of time, and red means conclude your remarks.

I ask unanimous consent that the witnesses' full statements be included in the record.

Without objection, so ordered.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

Without objection, so ordered.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

As your written testimony has been made part of the record, the subcommittee asks that you limit your oral remarks to 5 minutes.

With that, Mr. Marroni, you are recognized for 5 minutes for your testimony.

TESTIMONY OF DAVID MARRONI, DIRECTOR, PHYSICAL INFRASTRUCTURE, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; AND DAVID WINSTEAD, BOARD MEMBER, PUBLIC BUILDINGS REFORM BOARD

TESTIMONY OF DAVID MARRONI, DIRECTOR, PHYSICAL INFRASTRUCTURE, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. MARRONI. Thank you, Chairman Ezell, Ranking Member Stanton, and members of the subcommittee. I am happy to be here today to discuss GAO's views on how to make Federal real property work better for the American taxpayer.

For more than 20 years, we have identified the management of Federal real property as a high-risk area in need of substantial transformation. The Federal Government has held on to too much space and has been too slow in shedding unneeded properties. Federal buildings are often in poor condition and not well configured for the modern workplace, and the data needed to make good, real property decisions has often been unreliable—in some cases, nonexistent.

The pandemic shined a spotlight on these longstanding problems and created a unique opportunity to right-size the Federal Government's property holdings. There have been important actions in recent years to take advantage of these opportunities, but progress has been slow. Agencies have stayed in a wait-and-see mode for too long.

Since January, there has been a notable shift in momentum. GSA is now rapidly moving forward with plans to terminate leases and dispose of large amounts of Federal real property. As it does so, it is important that GSA and other agencies balance the goal of speedy reductions with the need for deliberate planning and analysis to help ensure the most effective result for the American taxpayer. There are a lot of moving parts right now that will shape Federal real property for years to come.

First, the Trump administration's return-to-office policy and its planned reductions in force are still early in their implementation. By summer, there will be clearer information on the size and shape of the Federal workforce and what that means for real property needs.

Secondly, under the USE IT Act, agencies are now required to measure building utilization across their portfolios for the first time. As a result, by this summer, GSA and agencies will have important new data to inform long-term decisions on the Federal real property portfolio.

Third, it will take time and money to move out of one property and to consolidate into another. GSA and other agencies need to think through which of the reductions to prioritize, and a funding strategy to implement those reductions in a way that makes the most sense. Gauging how much space is really needed under new workforce policies and then proceeding with reductions in a deliberate and planned-out manner could generate substantial savings and mitigate the risk of mistakes and unexpected mission impacts.

In conclusion, right-sizing the Federal Government's real property holdings is long overdue. As GSA and other agencies move forward with reductions, they should do so deliberately and in a strategic way that balances speed and thoughtful analysis and planning. Doing so will best position the Federal Government to achieve the most efficient and effective result for the American taxpayer, while ensuring agencies have the right space to successfully carry out their mission.

Mr. Chairman, that concludes my opening remarks. I will be happy to take any questions.

[Mr. Marroni's prepared statement follows:]

Prepared Statement of David Marroni, Director, Physical Infrastructure, U.S. Government Accountability Office

FEDERAL REAL PROPERTY: CONGRESS AND AGENCIES HAVE ACTED TO ADDRESS KEY HIGH-RISK ISSUES BUT CHALLENGES REMAIN

HIGHLIGHTS

What GAO Found

Better management of the federal government's real property portfolio is needed to effectively dispose of underused buildings, collect reliable real property data, enhance the security of federal facilities, and improve the condition and configuration of federal buildings. These management challenges have led GAO to include Managing Federal Real Property on GAO's High-Risk List since 2003.

- *Underused buildings*. Federal agencies have long struggled with underused space, which costs millions of dollars. Enacted in January 2025, the Utilizing Space Efficiently and Improving Technologies Act requires agencies to measure building utilization and plan to dispose of underused space. This Act, combined with effective implementation, would address GAO's 2023 recommendation on the need for governmentwide guidance on measuring space utilization.
- *Data reliability*. Without reliable data, it is difficult to support effective real property management and decision-making. The General Services Administration has worked with federal agencies to improve its Federal Real Property Profile database but has not yet fully corrected property location data. The Department of Defense improved its real property data as well, but further efforts are needed, including better coordination with military services to fill key vacant real property positions.

- *Facility security*. The Department of Homeland Security has taken steps to improve facility security, but more progress is needed. Contract guards did not detect prohibited items being brought into federal facilities in about half of GAO's 27 covert tests in 2024. This is a rate comparable to the Federal Protective Service's (FPS) own covert testing results. In addition, FPS has not yet fully deployed the Post Tracking System. Under development since 2013, the system was supposed to verify that all guards are qualified but faces technical and data reliability problems.
- *Building condition*. This year GAO added "Building Condition" to the existing real property high-risk area. The federal government's annual maintenance and operating costs for its 277,000 buildings were about $10.3 billion in fiscal year 2023. Further, federal agencies have deferred maintenance and repairs on many buildings, creating a backlog. GAO found that these needs had more than doubled, from $170 billion to $370 billion between fiscal year 2017 and 2024. In addition, agency officials told GAO that headquarters buildings are poorly configured and need renovations to meet present-day workforce requirements.

Why GAO Did This Study

The federal government's real property holdings are vast and diverse, costing billions annually to occupy, operate, and maintain. GAO added federal real property to its High-Risk List in 2003 for several reasons.

These reasons include that the government retained more real property than it needed, did not have reliable property data to support decision making, and struggled to secure federal buildings.

This statement discusses key actions taken by Congress and the executive branch since the High-Risk update in 2023 and actions needed to address four federal real property issues: (1) underused buildings, (2) data reliability, (3) facility security, and (4) building condition. This statement is based on GAO's prior work and reflects GAO's 2025 High-Risk update, released in February 2025.

What GAO Recommends

While the government has implemented many of GAO's recommendations on key real property issues, 57 GAO recommendations in this area are not yet fully implemented. Actions to implement these recommendations can help address underused property, unreliable data, insecure facilities, and unsafe building conditions.

Chairman Perry, Ranking Member Stanton, and Members of the Subcommittee:

The federal government owns over 460 million square feet of office space that cost billions annually to occupy, operate, and maintain. For 22 years, managing federal real property has remained on GAO's High-Risk List. The reasons for this include that the government has retained more property than it needs; it has not had reliable real property data to support decision-making, and it has struggled with facility security. This year, we added another reason that federal real property is high risk—building condition.

Since federal real property was added to GAO's High-Risk List, the highest levels of government have given serious attention to these issues, but more work remains. While federal agencies have addressed many of our recommendations on key real property issues, we have 57 recommendations that have not been fully implemented related to underused property, data reliability, facility security, and building condition. Most of these recommendations were made over the past 5 years.

This statement discusses key actions taken by Congress and the executive branch since the High-Risk update in 2023 and actions that would help improve federal real property management. This statement is based on GAO's prior work and reflects GAO's 2025 High-Risk update, released on February 25, 2025.[1]

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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[1] GAO, *High-Risk Series: Heightened Attention to High-Risk Areas Could Yield Billions More in Savings and A More Efficient and Effective Government*, GAO–25–107743 (Washington, D.C.: Feb 25, 2025).

UNDERUSED BUILDINGS

Federal agencies have long struggled to determine how much space they need to fulfill their missions. Issues with underused space were further complicated with increased telework during and following the COVID–19 pandemic. Retaining this underused space costs millions of dollars and is one of the main reasons that federal real property management has remained on GAO's High-Risk List since 2003. The following are key actions that Congress and the executive branch have taken to address underused buildings since our High-Risk update in 2023.

- Enacted in January 2025, the Utilizing Space Efficiently and Improving Technologies (USE IT) Act requires agencies to measure building utilization and plan to dispose of underused space.[2] Specifically, it requires that agencies measure the utilization of public buildings by comparing the capacity of each space to the number of people who are working in the building. If building utilization remains below 60 percent capacity for two consecutive years, the General Services Administration (GSA), in consultation with the Office of Management and Budget (OMB), must take steps to reduce the amount of underused space. This Act, combined with effective implementation, would address our 2023 recommendation on the need for governmentwide guidance on measuring space utilization.[3]
- GSA initiated a full portfolio assessment in November 2023 to identify real property assets for disposal. As of December 4, 2024, GSA had identified 34 assets to begin the disposal process. GSA estimates that disposing of these buildings will reduce GSA's inventory by over 6 million square feet and save $1.8 billion over 10 years.
- In addition, the Federal Assets Sale and Transfer Act of 2016 (FASTA) established a temporary process to help the federal government identify and dispose of unneeded federal real property.[4] As of December 2024, the FASTA process had identified 12 properties for disposal, 10 of which sold for a total of $194 million. In October 2022 we reported that GSA had not developed an approach to leveraging knowledge from setbacks that agencies experienced implementing the FASTA process.[5]

The following steps would help to address some of the government's challenges with underused space:

- OMB should continue to assist agencies in monitoring utilization to help identify unneeded space, as recommended in our October 2023 report.[6] The USE IT Act includes additional requirements which may assist in this work.
- GSA should help federal agencies improve the disposal of underused property by applying lessons from the FASTA process to improve future disposal efforts, as recommended in our October 2022 report.[7]

DATA RELIABILITY

Without reliable data, it is difficult to support effective real property management and decision-making. GSA relies on federal agencies to submit accurate data to the Federal Real Property Profile, the governmentwide database of federal real property that GSA uses to manage buildings, structures, and land. We have identified problems with the reliability of federal real property data since we first placed the management of federal real property on the High-Risk List. The following are key actions that the executive branch has taken to address this issue since our High-Risk update in 2023.

- GSA has worked with federal agencies to improve the reliability of federal real property data. In 2020, we reported that 67 percent of addresses in the Federal

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[2] Thomas R. Carper Water Resources Development Act, Pub. L. No. 118–272, S. 4367, 118th Cong., div. B, tit. III § 2302 (2025).

[3] GAO, *Federal Real Property: Agencies Need New Benchmarks to Measure and Shed Underutilized Space*, GAO–24–107006 (Washington D.C.: Oct. 26, 2023).

[4] Pub. L. No. 114–287, 130 Stat. 1463 (codified as amended 40 U.S.C. § 1303 note.) FASTA originally included three rounds, but recently enacted legislation directed an additional, fourth round to identify additional properties. Thomas R. Carper Water Resources Development Act, Pub. L. No. 118–272, S. 4367, 118th Cong., div. B, tit. III § 2301 (2025).

[5] GAO, *Federal Real Property: GSA Should Leverage Lessons Learned from New Sale and Transfer Process*, GAO–23–104815 (Washington D.C.: Oct. 7, 2022).

[6] GAO–24–107006.

[7] GAO–23–104815.

Real Property Profile database were incorrectly formatted or incomplete.[8] GSA took actions to improve its process for validating and verifying addresses in this database. In 2023, we found that over 98 percent of addresses were correctly formatted, but that location data continue to have errors. In August 2024, the Federal Real Property Council, an interagency council of which GSA is a member, published program guidance to help federal agencies improve the quality of data they submit to the Federal Real Property Profile.[9] The guidance instructs agencies to concentrate their initial data quality improvement efforts on data elements such as property type and property use because these elements are most easily verified with external information. GSA established a strategic initiative to improve real property data accuracy through data standards and management in its strategic plan for fiscal years 2022–2026. GSA also implemented a tool that alerts agencies to potentially incorrect location data in the Federal Real Property Profile database.

- The Department of Defense (DOD) has worked to improve monitoring of its real property data. In November 2018, we found that DOD was not effectively recording and reporting data, which led to inaccurate and incomplete real property information.[10] Subsequently, DOD has defined and documented the data elements that are most significant for decision-making and is taking a department-wide approach to improving its data quality. In addition, the Navy, Air Force, and Army improved monitoring of their respective processes for recording all required real property information. However, DOD has not yet prioritized and coordinated with the military services to identify opportunities for filling vacant real property positions. This has contributed to workload backlogs and prevented them from sufficiently maintaining their real property data.

The following steps would help to address federal real property data challenges:

- GSA should take steps to fully implement our 2020 recommendation to help federal agencies improve their data reliability by implementing the data quality standards identified in the Federal Real Property Council's August 2024 guidance and ensure street address information is accurate.[11] In the meantime, we are continuing to assess federal real property data and plan to issue new work on the topic.
- DOD should take steps to fully implement our 2018 recommendation to develop a strategy that identifies and addresses risks to real property data quality and information accessibility.

FACILITY SECURITY

Past attacks on federal buildings demonstrate that the security of federal facilities remains a high-risk issue. The challenges inherent in addressing threats to federal facility security have persisted since we placed the management of federal real property on the High-Risk list. The following are key actions that Congress and the executive branch have taken to address facility security since our High-Risk update in 2023.

- In November 2023, President Biden issued Executive Order 14111, superseding and updating Executive Order 12977, which established the Interagency Security Committee (ISC) now chaired by the Department of Homeland Security (DHS).[12] This update clarifies the Committee's oversight role in monitoring agencies' compliance with ISC's physical security standards.
- Congress passed legislation and the ISC took action to improve oversight of Federal Protective Service (FPS)-recommended security countermeasures to protect federal facilities, as we recommended in May 2023.[13] Specifically, the Improving Federal Building Security Act of 2024 requires facility security committees to inform DHS of their decisions to implement FPS recommendations within 90 days.[14] In January 2025, the ISC updated its annual questionnaire to in-

[8] GAO, *Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data*, GAO–20–135 (Washington, D.C. Feb. 6, 2020).

[9] Federal Real Property Council, *Agency-Level Federal Real Property Profile Data Quality Improvement Program Guidance* (August 2024).

[10] GAO, *Defense Real Property: DOD Needs to Take Additional Actions to Improve Management of Its Inventory Data*, GAO–19–73 (Washington, D.C. Nov. 13, 2018).

[11] GAO–20–135.

[12] Exec Order No. 14111, 88 Fed. Reg. 83,809 (Dec. 1, 2023).

[13] GAO, *Federal Facilities: Improved Oversight Needed for Security Recommendations*, GAO–23–105649 (Washington, D.C. May 8, 2023).

[14] Pub. L. No. 118–157, §2(a), 138 Stat. 1719, 1719 (to be codified 40 U.S.C. § 1315 note).

clude questions that will assess agencies' implementation of FPS-recommended countermeasures. The ISC has also developed standard operating procedures to assess how agencies document risk acceptance when they do not implement FPS-recommended countermeasures in their facilities.

- In response to recommendations we made after the January 2021 attack on the U.S. Capitol, the Capitol Police Board and the Capitol Police developed procedures to obtain outside assistance in an emergency as well as to either implement recommended security countermeasures or document risk acceptance if those countermeasures are not implemented.[15]

The federal government has shown sustained leadership commitment to improving the security of federal buildings, but challenges remain to ensure that federal facilities remain safe. These challenges and our key recommendations to address them are highlighted below.

- FPS employs contract guards at 2,500 federal facilities. In 2024, we conducted 27 covert tests at selected federal facilities and found that FPS's contract guards failed to detect prohibited items about half the time.[16] These results, which are consistent with FPS's findings in its internal covert testing program, raise questions about how effectively the guards detect prohibited items. We recommended that FPS collect more consistent data about the causes of test failures, analyze those data, and then use that analysis to improve contract guards' detection capabilities.
- In 2024, we also found the data system that FPS uses to verify if contract guards are qualified to stand post—the Post Tracking System—continues to face technology and data reliability challenges.[17] In 2025, we recommended that DHS determine whether to replace the Post Tracking System, which has been under development since 2013, or make corrective actions to address problems with the system.[18]

Building Condition

In the 2025 High-Risk Update, we added building condition as a High-Risk topic for federal real property due to large increases in the cost of addressing deferred maintenance in federal buildings. The federal government's annual maintenance and operating costs for its 277,000 buildings exceeded $10.3 billion in fiscal year 2023. Since this is a new High-Risk topic, we are focusing on our recent findings and actions needed to improve the condition of federal buildings. Federal agencies are taking steps to improve building condition and configuration, but the challenges led us to include the topic in the High-Risk update.

- DOD and federal civilian building repair backlogs have more than doubled, going from $171 billion to $370 billion from fiscal year 2017 through 2024 (see fig. 1). Unless this trend reverses, federal assets will continue to deteriorate and need premature replacement, which can be significantly more expensive than the cost of repairs had they not been delayed.

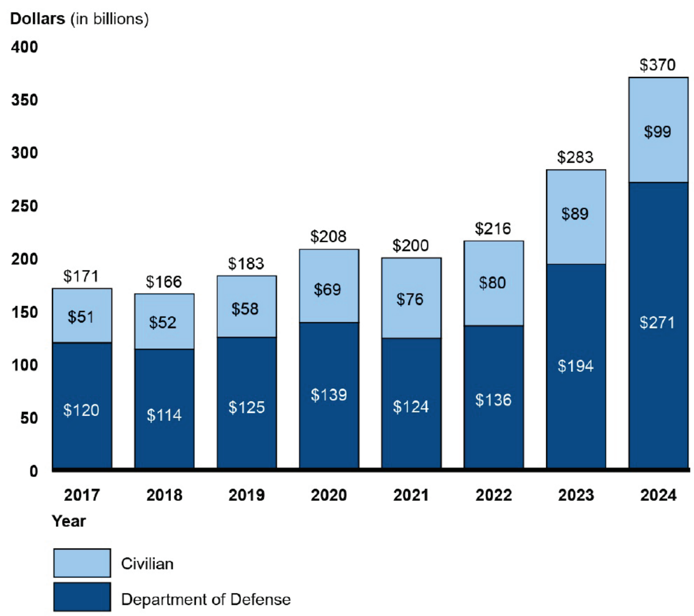
[15] GAO, *Capitol Attack: The Capitol Police Need Clearer Emergency Procedures and a Comprehensive Security Risk Assessment Process*, GAO–22–105001 (Washington, D.C. Feb. 17, 2022).

[16] GAO, *Federal Facility Security: Preliminary Results Show That Challenges Remain in Guard Performance and Oversight*, GAO–24–107599 (Washington, D.C. Jul. 23, 2024).

[17] GAO–24–107599.

[18] GAO, *Federal Protective Service: Actions Needed to Address Critical Guard Oversight and Information System Problems*, GAO–25–107047U (Washington, D.C. Jan. 28, 2025).

Figure 1: U.S. Department of Defense and Federal Civilian Agencies' Reported Estimates of Deferred Maintenance and Repairs, Fiscal Years 2017–2024



Source: GAO analysis of information from the U.S. Departments of the Treasury and Defense. | GAO-25-108028

- In 2023, we determined that federal agencies' spaces are not well configured to meet modern office needs.[19] If agencies continue to operate in poorly configured office buildings, they will continue to underuse space, spending unnecessary operating funds. Agencies ranked budget shortages to reconfigure space as the top challenge to increasing utilization of their headquarters buildings. For example, U.S. Department of Agriculture officials said they would need millions of dollars to update their two-building headquarters to support higher density and possible office sharing.
- In 2023, we reviewed four agencies and found they did not fully communicate the potential costs of maintenance backlogs to Congress.[20] For example, none of the agencies provided sufficient information in their financial and budget documents to explain how much of their backlog compromised agency missions. As a result, Congress and the public do not have a clear picture of the anticipated costs to address the deferred maintenance that may impact critical government functions. We recommended that GSA and the Departments of Health and Human Services, Interior, and Energy fully communicate repair needs to Congress and the public.
- In 2023, we found that military barracks were in poor condition, including some with safety risks like sewage overflow and inoperable fire systems.[21] We recommended that the Department of Defense clarify guidance, and that the service branches update minimum health and safety standards. We also recommended that DOD update and clarify guidance on assessing barracks conditions, obtain complete funding information, and increase oversight of barracks programs. DOD has implemented several of our recommendations, including updating guidance on how the military branches should conduct condition assessments for barracks.

[19] GAO–24–107006.

[20] GAO, *Federal Real Property: Agencies Should Provide More Information about Increases in Deferred Maintenance and Repair*, GAO–24–105485 (Washington, D.C. Nov. 16, 2023).

[21] GAO, *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, GAO–23–105797 (Washington, D.C. Sept. 19, 2023).

- In 2024, the GSA Inspector General found that GSA has not effectively monitored its maintenance contractors to ensure they implemented required maintenance and repairs. Specifically, operations and maintenance contractors did not complete all work orders for service requests and preventive maintenance.[22] In some cases, operations and maintenance contractors marked work orders as complete even though the work was not actually completed. The Inspector General recommended that GSA improve its oversight of contractors.

Chairman Perry, Ranking Member Stanton, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

Mr. EZELL. Thank you, Mr. Marroni.

Mr. Winstead, you are recognized for 5 minutes for your testimony.

TESTIMONY OF DAVID WINSTEAD, BOARD MEMBER, PUBLIC BUILDINGS REFORM BOARD

Mr. WINSTEAD. Chairman Ezell, Ranking Member Stanton, Delegate Norton, who chaired the subcommittee when I was Public Buildings Commissioner—so, good to see you again—I am David Winstead, and I am a member of the Public Buildings Reform Board. As I mentioned, I did have the pleasure of serving as Public Buildings Commissioner about 15 years ago.

I wanted to thank this committee for creating this Board, supporting its extension, which, as a result, we are really realizing the potential to save billions of dollars for the Federal taxpayer by recommending assets that are truly no longer needed to house Federal employees and have value in terms of redevelopment on a local level.

The Board has independently analyzed 47 properties and a total of 35 million square feet. Our Board is a very diverse Board and a very bipartisan Board. Two former Members of Congress, Nick Rahall and Mike Capuano, are members of the Board; myself; the former staff director of this subcommittee; and two major real estate executives that have holdings in New York City and around the country. And our strategy is really to right-size—help GSA and work with OMB to right-size the portfolio. We are reviewing these targeted buildings under the FASTA authority based on reinvestment needs, occupancy levels, building significance, as well as the mission of that agency.

Consolidation recommendations will be targeted towards higher quality Federal buildings that Congress has appropriated funds for that we have had the opportunity to re-invest and have a longer life cycle, and also the flexibility of leased options during the interim transition.

We are reaching out to every Member of Congress in the districts where these assets lie. We are reaching out to the county commissioners and mayors of those jurisdictions, as well. So we are doing that in preparation for our recommendations.

As has been stated, the Federal portfolio average age is over 50 years. And if you look at what they need in terms of renovation costs, most of these buildings that, really, have had deferred main-

[22] GSA Office of Inspector General, *Building Maintenance Contracts Are Not Complying with Their GSA Contracts Due to Poor Performance and Ineffective Oversight*, Report Number A230032/P/2/R24004 (Washington, D.C.: May 3, 2024).

tenance for decades, would cost $700 to $1,000 per square foot to renovate. And so each year GSA sees a deferral, if you will, of $2 billion of capital liability because they do not have the appropriated funds to invest in those buildings.

The Government really has two options. One is disposal of buildings that really are no longer needed, and secondly, provide for consolidation of employees in buildings that do have a life cycle that justifies their maintenance and reinvestment. There are really two groups of buildings in that category, pre-war properties and post-war properties.

Very interestingly, as an aside, one of the top architects in the District of Columbia looked at some of the pre-air-conditioned historic buildings and said many of those lend themselves to housing renovation and reconversion, more than some of the last-50-year buildings.

So we are really under our final review of looking at a series of assets. In the next round, we hope that we will identify approximately $18 billion in cost avoidance over 30 years.

The Board found in 2023 that there was a 70-percent decrease in occupancy in these Federal buildings. An example of that is the Department of Commerce, where if you count the number of Federal employees in that building on an average daily basis, it is about $330,000 to house that Federal employee. Another one was the Department of Labor, $182,000 per year to house that employee. And we are therefore looking at properties in the District, primarily Miami, L.A., Boston, and Atlanta, and we are doing outreach to those communities now.

As an example of one of the recommendations that might be on our report, there is an older building in L.A. called the Wilshire Building, and it houses the FBI and the passport office. It is not seismically stable. They haven't had the money to renovate it. So we are looking at innovative ways to report that asset out and to have it redeveloped. The university, UCLA, is an adjoining landowner and needs expanded space, so there are opportunities there.

Just in conclusion, I did, with the testimony, put a list of some of the properties that we are currently evaluating. We anticipate we will have a report to Congress within a month or so, and we will be happy to answer any questions that might come up when that report comes out. So thank you, Mr. Chairman.

[Mr. Winstead's prepared statement follows:]

Prepared Statement of David Winstead, Board Member, Public Buildings Reform Board

Chairman Perry, Ranking Member Greg Stanton and Members of the Subcommittee, thank you for giving me the opportunity to update you on the progress of the Public Buildings Reform Board and highlight important changes we have already experienced since the passing of the Public Buildings Reform legislation. My name is David Winstead and I am a Board member of the Public Buildings Reform Board.

I wanted to thank this committee for creating this Board, supporting its extension, and as a result, we are finally going to begin realizing the Board's potential to save billions of taxpayer dollars. Since the Board was established in late 2016, we have recommended the sale of approximately $775 million in proceeds of federal real property. Since we submitted our last round of recommendations in 2022, the Board independently analyzed 47 properties totaling 35 million square feet. Out of this, the PBRB analysis has identified approximately $19 billion in cost avoidance over 30 years which it plans to submit for recommended disposal. And the Board recognizes this is just the start of the consolidation opportunities that abound.

Our strategy to right size the portfolio recognizes the poor physical condition of many buildings and the financial constraints on federal real estate. We reviewed buildings based on reinvestment needs, occupancy levels, and building significance or criticality. Buildings that have high renovation needs, low occupancy levels, and low significance are at the top of our list for disposal.

Our recommendations will assume appropriations for consolidations may be limited. Consolidation recommendations will be directed towards quality owned buildings that require little renovation and leased locations.

The average age of the Federal portfolio is over 50 years. Most of them require full renovations that cost between $700 and $1000 per foot. This can average close to $72 billion in capital needs if we assume a $400 per square foot average for the 180 million square foot GSA owned portfolio. Each year, GSA accrues about $2 billion in new capital liabilities as these portfolio ages. There is little prospect that Congress will provide anywhere near this level of appropriations.

Therefore, the government has two options: house employees in failing, aging buildings or, dramatically increase disposals of its inventory. We believe disposal is the only financially viable choice. This will also provide the opportunity for consolidating space and providing better working environments for federal employees by relocating them to owned buildings in better condition, or leased commercial space.

There are two groups of buildings we are proposing for disposal: pre-war properties that have extremely high renovations costs, low occupancy and not particularly significant; and post-war buildings. Most of these post-war buildings, particularly in Washington, DC, were low-cost construction, and are at the end of their useful lives, and now require whole building renovation. The taxpayer has realized their money's worth out of these facilities and is now time to monetize these properties for future taxpayer benefit.

We lately have been working very closely with the General Services Administration and the Office of Management and Budget (OMB) to collaborate on our next round of recommendations, which are due to OMB no earlier than December 27, 2024. Our plan is to introduce our next round of recommendations sometime this spring. The Water Resources Development Act also allows us to submit a third round of recommendations before our sunset date of December 31, 2026.

In our next round, we have identified approximately $19 billion in cost avoidance over 30 years. The Board recognizes this is just the start of the consolidation opportunities that abound.

To illustrate this tremendous opportunity, the Board found in 2023 that there was a 70% decrease from pre-COVID levels in occupancy in a study of a group of department headquarters buildings in Washington, DC.

Another example is the Department of Commerce headquarters building in Washington, DC, the Herbert C. Hoover Building, which costs taxpayers an average of $332,428, including deferred maintenance, in 2023 per assigned employee. The Frances Perkins Building, Department of Labor Headquarters, in Washington, DC, cost the taxpayer on average of $182,346 in 2023 per person in operating and maintenance costs and GSA rent. By comparison, 200 square feet of leased Class B office space in Washington, DC, would cost approximately $9,600 per person annually.

The Board has conducted portfolio studies in other regions as well, including Miami, FL; Los Angeles, CA; Boston, MA; and Atlanta, GA. One property we are considering for disposal recommendation is the Wilshire Federal Building in Los Angeles, CA. This 55-year-old building required extensive work including modernization of HVAC and electrical systems, asbestos remediation, and window upgrades. GSA requested funds in 2022 to address these deficiencies, although the property is deemed a seismically high-risk building. The PBRB has conducted market analyses to determine housing alternatives for the tenant agencies and to allow the government to take advantage of depressed office market conditions in Los Angeles.

The Board's analysis also demonstrated time and again that market conditions are uniquely set to provide federal agencies the opportunity to move into spaces which are often of better quality than the federal offices. Our analysis has demonstrated that:

- Federal divestment from under-utilized properties provides cities and towns opportunities to address critical needs such as housing shortages.
- The commercial office market is soft, and federal dispositions will need to be made context dependent.
- Consolidations offer agencies the opportunity to create healthier, more efficient, safer, and operationally supportive workspaces.

The current set of properties the Board is assessing for its second set of recommendations is comprised of (17 million) SF of office space in 11 cities across the U.S. The greatest preponderance of properties is in Washington, DC, where decades of underinvestment combined with underutilization have created a situation where there are billions of dollars of capital liabilities accruing to the taxpayer to support a dwindling work force. The Board is preparing its list of recommendations in D.C. that encompasses approximately (15 million) gross square feet of space, mostly concentrated around the National Mall. This is a huge amount of space that can be turned back to the private sector, some of which can be repurposed for badly needed housing, some could be used by the Smithsonian for additional museums, and some could be redeveloped into modern office space. A renewal of the monumental core could promote a connection between the National Mall and the Waterfront, providing tourists with facilities and food options currently not available on the mall, provide increased tax revenues to the city, and support growth. However, the sale of such a huge amount of space must be done carefully and within a reasonable context that supports market absorption of space. Done correctly, our recommendations will provide enhanced tax revenue for local governments and provide redevelopment opportunities. With careful planning and disposition the Board estimates that taxpayer savings could be ($6.5 billion over 30 years).

The list of properties we are considering will be submitted with our testimony.

List of properties under consideration by the PBRB as of Feb 24, 2025:

- Lipinski FB, Chicago, IL
- Captain Williams Coast Guard, Boston, MA
- LaBranch FB, Houston, TX
- Kefauver FB, Nashville, TN
- Peachtree Summit, Atlanta, GA
- Brickell FB, Miami, FL
- 4700 River Road, Riverdale, MD
- 7th and D St SW, Washington, DC
- Cohen FB, Washington, DC

Under Consideration: NCR

- 1800 F St NW, Washington, DC
- Theodore Roosevelt FB, Washington, DC
- Perkins FB, Washington, DC
- Orville Wright, Washington, DC
- Wilbur Wright, Washington, DC
- Jamie L. Whitten Building, Washington, DC
- Forrestal FB, Washington, DC
- Agriculture South, Washington, DC
- J. Edgar Hoover FB, Washington, DC
- Robert Weaver Building, Washington, DC

Under Consideration: Rest of the Country

- Wilshire FB, Los Angeles, CA
- 312 N. Spring Street, Los Angeles, CA
- Anthony J. Celebrezze FB, Cleveland, OH
- United States Custom House, Philadelphia, PA

Mr. EZELL. Thank you both for your testimony. We will now turn to questions from the panel. I will recognize myself for 5 minutes for questions.

Question 1, Mr. Marroni, to give some context, in 2023, you testified before this subcommittee detailing the results of GAO's review of the actual utilization of agency headquarters buildings here in Washington, DC. At that time, you found that a majority of the buildings had a utilization rate of 25 percent or less, and some as low as 9 percent. Is that correct?

Mr. MARRONI. Yes.

Mr. EZELL. Today, you point out that the Federal Government spends about $10.3 billion a year just maintaining and operating Federal buildings. With that, deferred maintenance has doubled from $170 billion in 2017 to $370 billion today. Is that correct?

Mr. MARRONI. Yes, that is correct.

Mr. EZELL. Mr. Winstead, you mentioned in your testimony that the Department of Commerce headquarters in Washington, DC, in 2023 cost the taxpayers an average of $322,428 per employee, and the Labor Department headquarters $182,346 per employee, compared to the average cost per person in the private sector being $9,600. This is a massive liability.

To both of you, I would like for both of you to try to answer: How did we get to this point, and how do we get this massive liability off the books and reduce the cost of Federal real estate?

Mr. MARRONI. Sure. So this is a longstanding challenge. We have had this on our high-risk list for 20 years.

A number of reasons how we got here. One would simply be agencies did not have an incentive to dispose of their real property, the funding needed. The upfront costs needed to consolidate, to move, to relocate is something that agencies often didn't have, and it would have come out of their mission. Other reasons include simply the age of the buildings. They have gotten older, they were created at a different time for a different workplace, these agencies and these buildings that no longer really fit their needs. And so huge buildings, smaller workforce, they don't need the same amount of space to do the work they did 50 years ago.

And the end result is also deferred maintenance to these buildings. These buildings, in many cases, are not well maintained, in poor condition. And so what is the solution to that?

One solution is targeting buildings that do have those high deferred maintenance backlogs and that are not well used. Those should definitely be top targets for disposal. That kills two birds with one stone. You are getting rid of some of your liabilities, and you are also getting rid of some underused space that you can consolidate into more appropriate facilities.

Mr. EZELL. Mr. Winstead, anything to add?

Microphone.

Mr. WINSTEAD. The GSA portfolio is roughly 180 million square feet of owned and about the same of leased.

And I think all of us must recognize the reality of the market and what happened during COVID, candidly. The onset of telework, which was 100 percent in the early years of COVID, and then the adoption of new work practices did increase the number of people teleworking. Our law firm gave up 50 percent of its space between COVID and today, 2025, because more lawyers are working from home.

And so what we are really dealing with is an aged inventory, where we have really got to focus on the best maintained core buildings that are worth the Federal Government taxpayer to invest in, and then we have really got to look at backfilling space that is available.

But the reality is, in the marketplace now, more people are teleworking, and that really vacated a lot of these buildings for the last 3 or 4 years.

Mr. EZELL. As both of you know, Congress enacted significant Federal real estate reforms as part of the 2024 WRDA, including the USE IT Act. These reforms mandate that agencies either use their space or lose it. I understand, however, GAO and the Public

Buildings Reform Board have both found challenges in how GSA sells properties.

Can you discuss this issue you see in how GSA prepares and places properties up for sale, and is this process too bureaucratic?

Mr. MARRONI. So again, we have reported for years that this has been also a longstanding problem.

A complicated process to dispose of a Federal building. There are many steps to take. Those are policy choices, ultimately, to go through the public benefit conveyance system, to go through some of the statutory requirements that are in place now. So that is something Congress could certainly consider.

Other parts of the disposal process also is how GSA puts the properties up for sale, what sales strategies it uses to dispose of properties. Typically, it defaults to an online auction site. That may not always be the best method to take. And putting up properties as-is sometimes may not be the best approach, either. Thinking about ways to make it clear to buyers what they would be getting so that you might have a bar to market to put in, say, put in sales offers.

Mr. WINSTEAD. In terms of the process of GSA, it has proven to be very, very lengthy and drawn out. We recommended 3 years ago 12 major assets for disposal, and GSA worked their way through them, and all but 1 is sold now. It is actually on the market. But it is a very protracted process.

In the wisdom of Congress, they exempted our high-value round from both title V and public benefit conveyance. The assets we report out now are exempted from public benefit, so you really are able to streamline, you know, you can't have local government or other Federal agencies raise their hand for the assets we report out.

So we feel strongly that our recommendations, with the analysis that we have done around them, will allow GSA to move much more expeditiously through the disposal process and really get rid of that property, return it to the tax roll for redevelopment and housing, affordable housing. So that is really what our report is targeted at, is making strong recommendations, both reporting to Congress about our recommendations, but also to GSA.

Candidly, I think many of the members of the Board, two former Members of Congress, are disappointed in some of the methods GSA has proceeded on. In reality, a public auction process is not monitored by the highest real estate interests, and REITs, and other investors in the country. They just don't look at a public auction site. So we are recommending to GSA, because of these complicated assets, some of the ones that we may report out of here in the District, are large, older buildings no longer needed. And there is a better way, more expeditious way to do it, and also, in our judgment, bring in advisory groups to help them determine highest and best use, and get the best value back.

Mr. EZELL. The gentleman yields. I now recognize Mr. Stanton for 5 minutes of questioning.

Mr. STANTON. Thank you very much, Mr. Chairman. In your statement, you made a strong case as to why we need to do this, so why we need to improve efficiency in our public building utilization and why we needed to analyze that and dispose of buildings that are no longer needed.

As we have made clear, that is exactly why we passed what we passed in the 2024 WRDA. That was done in an overwhelmingly bipartisan way. And we are improving those processes, and we are in agreement. We want to make sure that we get the highest and best use of those buildings, and those that are appropriate for public benefit we utilize for public benefit. These are all things that we agree on in a bipartisan way.

I guess the issue that we are dealing with right now is we are in the world of DOGE, and we are trying to figure out how DOGE overlays with the bipartisan policy that we passed through this committee. I mean, I think the theory of DOGE is move fast and break things, which may or may not work in certain instances. But disposing of public properties, there is a very good reason why we go through the process, and that is to make sure that we are protecting the taxpayers, that we get the most value of those buildings.

So with that, I am going to ask the question to Mr. Marroni: return to work. Was GSA, as far as you know, consulted before the return-to-work Executive order was signed by the President?

Mr. MARRONI. I do not know.

Mr. STANTON. If the agency headcounts are in flux, how does GSA know how much space agencies need?

Mr. MARRONI. That is a challenge. It is important to know what your workforce is going to be.

Mr. STANTON. It is a point I made at the beginning, which is that it is unfortunate Mr. Peters is not here. GSA should be here, answering these appropriate questions so that we could do our duty of oversight over the Administration.

Mr. Marroni, GSA does have a new Public Buildings Commissioner, and soon after he took the position, he said, “It is clear that the footprint of non-DoD Federal buildings should be reduced by at least 50 percent.” That is a pretty remarkable statement for being on the job for only a short period of time. How could the new Commissioner possibly know that key information after only 4 days on the job?

Mr. MARRONI. I don’t know. It does take some analysis to figure out what you need.

Mr. STANTON. Have you personally seen any data that would lead you to determine that a 50-percent reduction was warranted?

Mr. MARRONI. We have not done that analysis.

Mr. STANTON. Mr. Winstead, do you have any idea—I am kind of moving in a different direction here, but it is important. It was listed as recently as yesterday as one of the items I think has been removed—it has been a moving target about what is on the DOGE list, what is not on the DOGE list—do you have any idea what the current administration’s plans are for the FBI’s headquarters?

Mr. WINSTEAD. Congressman, I do not. This—the House is—I do not. I can’t speak for GSA. Obviously, there have been plans and actions in the past to move the FBI headquarters to Greenbelt, Maryland, I guess, is the recommendation. I do not know what the current status is.

Mr. STANTON. Mr. Winstead, as you well know, based on your vast experience, not all Federal space is the same. In addition to general office space, agencies have specialty spaces: science labs, warehouses, data centers, SCIFs, shooting ranges, and more. Should the Federal Government own specialty space and lease all-purpose office space, in your opinion?

Mr. WINSTEAD. Congressman, yes. When I was Commissioner, specialized governmental space that has high security demands, FBI field office, Federal courthouse, border stations, firing ranges, those are specialized uses that, when I was Commissioner and the Congress oversaw a budget, those were preserved and should be, in my judgment, preserved as federally owned space.

Mr. STANTON. And many times a Government agency that has long-term leases is going to make tenant improvements, major improvements, sometimes very specialized improvements because of the nature of the work that they do. Should the GSA dispose of lease space where the tenant agencies have made significant investments and tenant improvements like holding cells, evidence rooms, counterintelligence equipment? What are your thoughts on that?

Mr. WINSTEAD. I think that in the decision about what the continued tenancy costs are, evaluating investment by that agency and the tenant fit-outs is very important. There are cases where specialized equipment has been paid for by the taxpayer through the agency's budget, and so a very careful analysis needs to be made to justify moving an agency out of a utilized, fully utilized—more than 60 percent—when there is specialized equipment.

There are wonderful cases in maybe your district and elsewhere where there are leased facilities. A large part of the 32 field offices of the FBI were done under a lease process. So there you are leveraging private sector efficiency, but it is a leased space but a specialized Government use.

Mr. STANTON. All right, thank you very much.

Let me just reiterate that it is so important that Mr. Peters appear before this subcommittee. I am going to ask Chairman and Chairman Perry, as well, to have another hearing as soon as possible so that we can get substantive answers on these very fair questions. A lot of angst associated with public buildings these days, with return-to-work, termination, large-scale terminations, and the desire to sell off underutilized assets as quickly as possible, so GSA needs to be here ASAP.

Thank you, Mr. Chairman. I yield back.

Mr. EZELL. The gentleman yields. The Chair now recognizes Mr. Bresnahan.

Mr. BRESNAHAN. Thank you, Mr. Chairman. I didn't know if I heard a Barrett or Bresnahan there.

Mr. EZELL. I will just——

Mr. BRESNAHAN. So yesterday we found out that three Federal buildings in my district are being considered for sale by the GSA and classified as non-core assets. Three buildings. Roughly an hour ago, Bloomberg reported that the list of properties potentially for sale was taken off of GSA's website and the decision reversed. In my district, this list originally includes the Wilkes-Barre Federal Building, the Social Security Administration Data Operations Center in Plains Township, and a maintenance building in Wilkes-Barre.

The Social Security Data Center employs nearly 1,400 workers, and I want to express my extreme frustration that I learned about this on the news, not from the GSA or the administration.

Mr. Winstead, you had mentioned that you were going to be notifying Members of Congress as to how the course of action would proceed. When was the Member of Congress going to be notified that there could be implications to facilities inside of his district?

Mr. WINSTEAD. Congressman, the list that came out of GSA that has now been pulled off the website was, as I understand it—I am not speaking for GSA—was the result of a long-term review by the portfolio office. That is distinguishable—we hope that more assets will come our way to be considered under the more expeditious sales process of FASTA. But we were not involved in that side of it.

But I will tell you, it is very important, in any asset that comes through FASTA, that we are engaging broadly with the community and listening to both the agency need in that location, as well as engage with the elected officials on the local, State, and Federal level.

Mr. BRESNAHAN. And I think that brings me to my next question is some of our concerns is we need the PBRB and the GSA to ensure the sale would support our local communities and not become a strain. And I am very familiar with these two different physical structures, but definitely have grave concerns when this is kind of a shell shock, and we are sprung into action behind the eight ball.

So obviously, I know you are not speaking on behalf of the GSA, but I would welcome another conversation to make sure that we are all lockstep on what the future plans are for these buildings.

My next question for Mr. Marroni, the Director of Physical Infrastructure, correct?

Mr. MARRONI. Correct.

Mr. BRESNAHAN. You had mentioned in your testimony about some deferred maintenance costs on the facilities. Whose responsibility is that to make sure the buildings are maintained and adequately upkept to remain marketable?

Mr. MARRONI. So that is going to be GSA and the agencies, depending on who has control of that facility.

Mr. BRESNAHAN. Do they provide guidance, or does your office provide guidance? How does that work?

Mr. MARRONI. In terms of—GSA has policies and procedures for that, and agencies that have control of that would, as well, in terms of how they maintain facilities.

Mr. BRESNAHAN. What is the most common form of deferred maintenance that you have observed?

Mr. MARRONI. I don't know if there is a most common I could point out. There is a range of things, everything from basic repairs to your elevators being out to major structural repairs. It depends on the building.

Mr. BRESNAHAN. Back to Mr. Winstead. In your testimony, you have identified $19 billion in cost avoidance over 30 years on recommended properties to dispose of, approximately $633 million per year in Federal savings. How does the annual cost savings compare to impacts on local economies and services like Head Start or other benefits within the community?

Mr. WINSTEAD. I think, Congressman, the assets that we report out are largely surplus and underutilized, right? So we are not talking about—it is not like the BRAC process. We are not talking about moving jobs. We are just talking literally about housing Federal employees in better buildings, better workspace.

So I think the real opportunity for the assets that we are looking at and will be reporting to Congress, number one, everybody will be notified and all their input will be considered. But it really is—we are trying to engage very, very much not just with the elected officials, but with the community in that area.

For example, 40 percent of the GSA inventory is in Washington, DC. We have reached out to Eleanor Norton, Delegate Norton, 2 years ago on this. We are talking to the mayor constantly, the director of planning for the District, the National Capital Park and Planning. So we are really trying to get everybody's involvement in what is the best option and what is the best redevelopment potential for those properties.

So I really don't see a negative downside to this, these buildings. Even with the return of Federal employees, these buildings are no longer needed, basically. So how do you turn them back? What tools do the Federal Government, local government, and the developer bring to the table to redevelop it with more vibrancy, better amenities, more housing, maybe some office space—probably not—and it goes on the local tax roll.

One of the things the District is suffering from is a huge drop in property tax valuations right now. I mean, everybody is, most metropolitan areas are.

So I think that, looking at the potential, we are actually—we are analyzing what is the highest and best use. It is a buyer that would take that through the process. But we are trying to get a handle on taking this asset or building, what is the best use and what is the value.

Mr. BRESNAHAN. Thank you both for being here.

Mr. Chairman, I yield back.

Dr. ONDER [presiding]. The Chair recognizes Ranking Member Larsen for 5 minutes.

Mr. LARSEN OF WASHINGTON. Thank you. Thank you very much, Mr. Chair.

Mr. Winstead and Mr. Marroni, I will answer Representative Bresnahan's question about when are they planning to tell us. Never. And I think the process that we hope they use is one when they notify us sooner than never next time.

And we passed this bill as part of the Water Resources Development Act and developed it in a bipartisan way under the leadership of Scott Perry, Representative Perry, so that there was a process, because we wanted to be very clear to GSA we have too much space, they need to methodically look at the space, look at the numbers of people, and then make some decisions about what to keep and what not to keep. But as I noted in my opening statement, it seems that instead of doing steps 1 through 5, they, the GSA, just started at step 1 and jumped to step 5 of the USE IT Act. And it seems like that is where we are right now.

But I do think that, for Mr. Marroni, thinking about the bill, the law that we passed that was part of WRDA—it is really not WRDA, it was a bill we tacked onto it—can you talk to me about how, like, given what we put out, how many months would it have taken GSA to just kind of walk through that process to get to where GSA got overnight?

Mr. MARRONI. So under the USE IT Act, within 6 months of the law passing, which was in January——

Mr. LARSEN OF WASHINGTON [interposing]. January.

Mr. MARRONI [continuing]. So basically June, they would have needed to—agencies would need to start measuring their utilization. So that is a really key data point. So by summer.

Mr. LARSEN OF WASHINGTON. By summer. I don't know—it is not your job to answer this question, but it doesn't seem to me why we can't wait until summer for that, because there is bipartisan support for that bill. It is not like they are racing against Congress catching up with them. We told GSA to do this. We want them to do this. And it seems like they are racing ahead to do something for some other reason, and I don't know what it is, but we have a process we put in place. We just want them to use it. And then, if we don't like the answer, shame on us, right, for passing the law. But that would be the answer.

Can you talk to me a little bit about the 2019 relocation? I think you were asked to look at the moving of Department of Ag and Bureau of Land Management staff from DC to Kansas and Colorado. You studied that. Can you talk to us about, did that reduce cost? Did it attract highly qualified staff? What was your assessment of the move of those two parts to different parts of the country?

Mr. MARRONI. So I am familiar with that report.

Mr. LARSEN OF WASHINGTON. Okay.

Mr. MARRONI. Not in detail.

What I can say is that any relocation is going to involve real property costs. There are going to be transactional costs for the move. I would say there are other issues as well to consider, in addition to real property. But we can certainly get back to you with information on that.

Mr. LARSEN OF WASHINGTON. Can you get back specifically about that, just to learn some lessons? There might be some good reasons and some really bad reasons to move folks or functions out of DC or back into DC, as well.

Mr. Winstead, if you could just answer for me, your first round of recommendations from the group was 47 properties. Is that right?

Mr. WINSTEAD. Congressman, the first round was the 12 high-valued assets, which——

Mr. LARSEN OF WASHINGTON [interposing]. Twelve high-value assets.

Mr. WINSTEAD [continuing]. Have all been sold, but for one in Palo Alto, which is now on the market.

Mr. LARSEN OF WASHINGTON. Okay. And then what is the next step?

Mr. WINSTEAD. The next is the report we will be sending to you, to Congress and OMB, and obviously working weekly with GSA, of properties that are in the second round that we have analyzed. We have attached a page in my testimony that highlights some of the buildings that we have been analyzing, so these are the ones that are going to be addressed in that report. And——

Mr. LARSEN OF WASHINGTON [interrupting]. And some of those buildings, if not all of those buildings, are on the list of 400-plus, the list that was put online and taken offline.

Mr. WINSTEAD. Right.

Mr. LARSEN OF WASHINGTON. Is that right?

Mr. WINSTEAD. Yes, but many others, right? These are only maybe 50 assets, so there are a lot of others that appeared on the list that GSA posted.

Mr. LARSEN OF WASHINGTON. I am talking about your list. The ones on your list were on the GSA list that was pulled off.

Mr. WINSTEAD. I assume so.

Mr. LARSEN OF WASHINGTON. Yes.

Mr. WINSTEAD. Yes, I assume so. Because we——

Mr. LARSEN OF WASHINGTON [interrupting]. They are. For the record, they are.

Mr. WINSTEAD. Because we—okay.

Mr. LARSEN OF WASHINGTON. Is that your last set of recommendations, or do you have another set of recommendations after this——

Mr. WINSTEAD [interrupting]. Oh, then we have another round. So we will be reporting this next round out within a month or so, and then we will have another round at the end of 2026. Congress extended the Board until the end of 2026.

And I think what is significant about that, Congressman, is we really are seeing the impacts of telework. And obviously, the directive of Federal employees coming to the office how many days a week will have an impact on that. But I think 2 more years will give us even more time to look at assets in more detail, and then in that last round, really recommend properties that are no longer needed.

And we do have the authority——

Mr. LARSEN OF WASHINGTON [interrupting]. Yes, thank you.

Mr. WINSTEAD. All right.

Mr. LARSEN OF WASHINGTON. Sorry, I have run out of time. I just—want to just note that this spaghetti-on-the-wall approach is just not working for the administration. But if they worked with the law that we passed and they work with you all, I mean, by the end of 2026, we will all have a fairly decent story to tell about the amount of leased space and owned space that we got rid of. It may not be what everyone wants, but we will all be able to tell that story, and make it a good story, and it will line up with the numbers of people that we are expecting to come back into offices, as well.

It is flummoxing to me why there is this head-long rush from the GSA to do these things that they are having to pull back on anyway. We can help them do that. We are committed to the law we passed.

So I would just note that and yield back.

Mr. WINSTEAD. Well, I do think that the WRDA——

Mr. LARSEN OF WASHINGTON [interrupting]. I have to yield back, so you are——

Mr. WINSTEAD [interposing]. Oh.

Mr. LARSEN OF WASHINGTON. Yes, thanks.

Dr. ONDER. Yes, the Chair yields to himself 5 minutes.

Mr. Marroni, the GAO's 2023 report found that 17 of 24 agency headquarters buildings were operating at 25 percent or less capacity. What structural or bureaucratic barriers do we have that prevent agencies from consolidating or relinquishing underutilized spaces?

Mr. MARRONI. I mean, in terms of consolidation, the main factor is just having the planning and the funding to do it. There is not— agencies could consolidate. It does take time, it does take money, but they could consolidate.

Dr. ONDER. Right. And the Office of Management and Budget has prohibited GSA from negotiating discounted purchases on leases, often forcing Government to pay more over time. What impact has this had on long-term costs, and how could that be changed to save the taxpayer?

Mr. MARRONI. I didn't hear the first part.

Dr. ONDER. Yes, the first part, OMB has prohibited the GSA from negotiating discounted purchases on buildings, and often that forces the Government to pay more than they might have otherwise. How could that be addressed?

Mr. MARRONI. So how it could be addressed if it is a policy? I am not familiar with that specific policy.

Dr. ONDER. Okay.

Mr. MARRONI. But if it is a policy, it could be addressed by Congress, through law, or by OMB.

Dr. ONDER. Got it, okay.

And then the Utilizing Space Efficiently and Improving Technologies Act, the USE IT Act, mandates a 60-percent occupancy threshold for Federal buildings. How can Congress ensure that agencies comply with that requirement?

Mr. MARRONI. Right. Well, I think an important role for this subcommittee in itself is holding hearings, holding oversight with GSA and the other relevant agencies to make sure that they are following through on what is required by statute.

Dr. ONDER. Okay, thank you.

And Mr. Winstead, you mentioned that the Board's analysis had saved $19 billion in cost avoidance over 30 years. Can you walk us through those savings and what factors contributed the most to those savings?

Mr. WINSTEAD. Congressman, what we have done with the assets, some of which appear on the last page, is we have gone in basically assessing what the deferred maintenance has been, and we have analyzed what is needed if we—if the Government decided to keep that building, what would it take to reinvest it, to bring it up to workspace that the Federal employee can function. So that is how we are doing it, we are looking at basically the condition of the building, the utilization of the building, deferred maintenance in the building. And if those judgments say keep the building, then what is needed to be appropriated by Congress to the public building fund to bring that building up to standard.

And obviously, part of this is backfilling the buildings. I think Congress has been very—in the recent legislation said 60 percent utilization, data every year on what is being done in these buildings, housing plans from each Federal agency in terms of how they are using the space, how many employees are there.

But the other thing that needs to be done is the communication of the bottom line of our reports from GSA has to reach the top levels of Federal agencies. It has got to really—a decision—because some of the things we are looking at are underutilized Federal buildings here in DC, some of which have agencies' names on them, and they are no longer justified to be maintained. So convincing that Secretary, Assistant Secretary, administration that it is in the best interest of the taxpayer for them to move into another Federal building that is better maintained——

Dr. ONDER [interposing]. Right.

Mr. WINSTEAD [continuing]. And sell that building for redevelopment.

So that is the analysis, and we have a lot of analyses of the committee. All these assets have been totally analyzed, and we can send that to the committee, as well, how we have calculated those costs and that are backed up our decision to surplus the building.

Dr. ONDER. Thank you.

I yield back. Ms. Norton is recognized for 5 minutes.

Ms. NORTON. I strongly oppose OMB and OPM's recent decision to Federal agencies to "propose relocations of agency bureaus and offices from Washington, DC, and the National Capital region to less likely parts of the country."

I also strongly oppose the many bills that have been introduced this Congress to relocate the headquarters of four Federal agencies in the National Capital region to outside the National Capital region. These relocations, as we saw during the first Trump administration, would harm the operations of these agencies and waste taxpayer dollars. They would also harm the economy of the National Capital region. On Monday, I introduced a bill to prohibit such relocations.

However, there are specific Federal buildings in DC that GSA should dispose of and move the employees from those buildings into other buildings in DC. These disposals would save the Federal Government money, generate tax revenue for DC, increase housing supply in DC, and create new mixed-use neighborhoods in DC. Congress has passed many of my bipartisan bills to transfer unused and underutilized Federal buildings and land in DC to the DC government or the private sector, including the Webster School, with Chairman Perry; what became The Wharf and The Yards; and most recently, the RFK Stadium campus. I first introduced a bill in 2014 to facilitate the redevelopment of the Southwest Federal Center into a mixed-use neighborhood.

Mr. Winstead, please discuss the opportunity to dispose of Federal buildings in the Southwest Federal Center to create a new mixed-use neighborhood and connect the National Mall and The Wharf.

Mr. WINSTEAD. Delegate Norton, as you know, because we have—it is in the report and we have briefed you, there are a number of buildings that are—Forrestal Building is the building right on L'Enfant Plaza, but there is the Whitten Building, the Agriculture South, that—many of the people that have looked at it—

that are still very underutilized. And a lot of the NCPC, the mayor's office, your office, and the Department of Planning for the District have looked at it, and I think it is a wonderful opportunity to basically begin, as many people view it, opening up the Mall to the waterfront.

The Forrestal Building is one of those where it is costing $130,000 a year to house the Federal employees that show up. If you were able to take down the Forrestal Building, it would develop—there would be four parcels. There are ways to develop it for affordable housing, for mixed use, for amenities. But one of the visions that an architect at SOM has is it would really create a connection between the Mall and the waterfront. He described it as sort of the Spanish Steps of Washington, DC. You would get out into L'Enfant Plaza, and you could go down the steps and get over to the waterfront.

So these are some of the visions that are options, if you will, that need to be studied carefully by the Department of Planning for the District, by NCPC. But that is happening. ULI has advised our Board on some of these options, so I think it is—in that case, it is very exciting. You are taking grossly underutilized buildings, there are other opportunities to redevelop them if they are historic. One of the buildings in Southwest has already opened as a residential building. It was an historic building.

So I think that there are some great opportunities. We are working closely with all the players in the District in terms of what the impact of surplusing these properties is. Number one, the timing of them. There is concern generally that we don't want to—all these assets shouldn't come on the market at one time. They should be reported out, but maybe a phasing. Southwest assets I have just mentioned near Agriculture are a first phase, in my judgment.

So I think there are, I think, some very exciting things that people are envisioning. We have developers that have advised through ULI and NCPC, and I think your staff has probably seen those reports.

Ms. NORTON. Mr. Winstead, how would the disposal of Federal buildings in the Southwest Center positively impact Federal taxpayers and the Federal Government?

Mr. WINSTEAD. Well, the Board makes its recommendations to GSA, and their disposal division is the one that handles them. But we have in the past and will continue to make very specific recommendations of how they could be surplused and sold for redevelopment in a phased way.

The other thing the Board is saying is we have a couple major real estate people just understanding what the highest and best use of that asset is, really saying, what is it? Is it some residential? Is it some museums for the Smithsonian? In terms of the Forrestal Building, it is adjacent to the Smithsonian.

So—and how do you phase it? What should be brought to the market first? We will be working closely with the director of planning in the District and others to try to help and support that. It is really their actions. Our report and our action is really reporting them out. But we are looking at phasing, and we are looking at engaging users, investors, and getting their best ideas.

Dr. ONDER. The gentleman from California, Mr. Kiley, is recognized for 5 minutes.

Mr. KILEY OF CALIFORNIA. Thank you, Mr. Chair. I don't know that there could be a more potent symbol of Government waste and inefficiency than the spectacle of Federal office buildings just sitting there, empty, with taxpayers footing the bill.

I am seeing that GSA manages more than 8,300 owned and leased assets, totaling over 365 million square feet—that is easy to remember, it is 1 million square feet for every day of the year; that the cost of operating, maintaining, and leasing office space costs $8 billion annually. And yet a report last year showed an occupancy rate, an average building occupancy rate, of just 12 percent, 12 percent.

So it is interesting because we have this emerging set of talking points here in the Capitol among some that know the Federal Government is perfect, there is no need to modernize it, no need to scale it back, no need to improve efficiency in the use of taxpayer resources. And then yet you can view alongside that sentiment this picture of all these Federal buildings just sitting there being paid for with no one in them. We even have reports of shadow or dark space in Federal buildings and leases, which are just not used at all, and not even assigned, simply just sitting there. This is something that American taxpayers have every right to be outraged about.

And I think that, Mr. Winstead, you put sort of a cost per employee on office space for some departments. Would you mind repeating those numbers? I believe it was in the hundreds of thousands.

Mr. WINSTEAD. Yes, Congressman. In our report in March of last year, there was data in it that showed, based on the occupancy, as you suggest, 20 percent or average of 20 percent, what is the cost to GSA of maintaining that building per employee, and it varied from Commerce, 160, to Department of Energy, 130. But it is totally——

Mr. KILEY OF CALIFORNIA [interrupting]. An employee that is actually present, or per just employee——

Mr. WINSTEAD [interrupting]. That show up.

Mr. KILEY OF CALIFORNIA. That show up.

Mr. WINSTEAD. Per employee that show up——

Mr. KILEY OF CALIFORNIA [interposing]. Right.

Mr. WINSTEAD [continuing]. Versus per day during the course of the year.

Mr. KILEY OF CALIFORNIA. Because for every one that shows up, four don't show up is what——

Mr. WINSTEAD [interposing]. Yes.

Mr. KILEY OF CALIFORNIA. Yes.

Mr. WINSTEAD. And in a private-sector office building, the cost of employee space is about $10,000 a year.

Mr. KILEY OF CALIFORNIA. Interesting.

Mr. WINSTEAD. So——

Mr. KILEY OF CALIFORNIA [interrupting]. So the average cost is over 10 times higher for the Government than for the private sector.

Mr. WINSTEAD. Yes, more than that. And again, it is an impact of COVID, it is an impact of telework policy and work habits since telework happened. It is obviously an impact of OPM and their directive in terms of Federal employees' presence in the office. But it really has, in the last 2 or 3 or 4 years since we have been looking at this, it has really gotten worse, right, in terms of the utilization.

Mr. KILEY OF CALIFORNIA. I mean, that is fascinating, because even the private sector has had underutilization issues. And you are saying, even given that, we are paying 10 times more per employee than they are in the private sector.

Mr. WINSTEAD. In the instance of those buildings——

Mr. KILEY OF CALIFORNIA [interposing]. Right.

Mr. WINSTEAD [continuing]. At the time we looked at utilization versus the cost the GSA pays to maintain that building per year, yes, it is over 10 times.

Mr. KILEY OF CALIFORNIA. I also found it interesting that the GAO has noted that agencies are reluctant to share their headquarters with other agencies, and they cite a lack of mission alignment, which is a little hard for me to understand. Because after all, these are all agencies that are serving Americans, are part of the Federal Government. That seems like enough of a mission alignment.

But even if there was none whatsoever, I walk into buildings all the time that have completely unrelated businesses working next to each other. But also, maybe it would be good if the agencies were talking to each other a little more. One of the problems that we have in our bureaucracy is that things are so siloed. So you get an approval from this agency, but then you are waiting years to get one from this agency, or you ask this agency to get the approval and they say they need to wait for that agency, and apparently they have no way to talk to each other and coordinate. So maybe if they could pick up the paper and walk it across the hall to someone down the hall, that might make the Federal Government work better together a little bit.

So what do you think, Mr. Marroni, is there something to be said for trying to get agencies under the same roof?

Mr. MARRONI. Oh, definitely. Agencies—that reluctance is not acceptable.

Mr. KILEY OF CALIFORNIA. Thank you very much. Hopefully, that is something that we can work on. And I think that we can not only save taxpayers a lot of money, but send a message about the newfound paradigm of efficiency and modernization that we are trying to usher in at the Federal level.

I yield back.

Dr. ONDER. The gentlewoman from Michigan, Ms. McDonald Rivet, is recognized for 5 minutes.

Ms. MCDONALD RIVET. Thank you very much. I am trying to put these pieces together when we are talking about data collection.

And so, very clearly, we have to be the best stewards of taxpayer dollars, and we should not be paying for space that is not utilized. We should not be paying for buildings that have very low occupancy.

What I am a little concerned about—so Mr. Winstead, you talked about the data that you have been collecting and the work that you have been doing—which sounds excellent, by the way—about the impact of telework. But we are seeing return to work, we are seeing telework ended very abruptly. And just this week, we are starting to see reports in the news that are talking about the messiness of that due to poor planning. We have got workers showing up in places where there are no desks, no Wi-Fi, no lights, and there is a lot of chaos that is happening right now.

So I am really encouraged, Mr. Marroni, when you were talking about the collection of data, that we should be able to have something solid to work from. But when I think about the data that you are both talking about over the last several years, as well as what is being collected right now when we have got mass chaos on the return-to-work policy, isn't the data you are collecting now going to be somewhat invalid 2, 3 months from now? Isn't there a place where, in the best interest of efficiency and saving taxpayer dollars, we want to be logical and methodical in this?

What validity will your data have this summer with so much chaos in the landscape right now?

Mr. MARRONI. You need good data to make good decisions. That has been a problem in real property for a long time. And with the use of that, there is a chance to have utilization data for the first time.

When we did our study in 2023, we could only really do headquarters buildings because, once you got outside of the National Capital region, that data really didn't exist. So the use of data is a really important step to both set benchmarks and get the kind of data you are describing. And that data is really important if you are deciding what buildings to dispose of, because understanding the utilization profile is really essential, in addition to knowing how many people are going to be coming into those buildings.

Ms. MCDONALD RIVET. Of course, no argument here. My question is around the data collection.

So as we are seeing a little bit of a hiccup around this return to work, how are those data collected, and in what timeline?

So can you really count utilization if people are in offices where there are no lights or no Wi-Fi, as we try to work through this?

Mr. MARRONI. So under the law, agencies will be required to at least use badging data, swipe data. So understanding the problems you are highlighting for people working in those spaces, if they don't——

Ms. MCDONALD RIVET [interrupting]. I am sorry sir, but over what time period?

Mr. MARRONI. Pardon?

Ms. MCDONALD RIVET. Over what time period?

Mr. MARRONI. Over what time period? The badging data, I believe, they are required to start measuring in 6 months. So June, summer.

Ms. MCDONALD RIVET. They start measuring in June?

Mr. MARRONI. Yes. They have to start measuring in June, and use at least badge swipe data. They can use other technologies, as well. That is part of the law. But badge swipe data would allow you, if someone is coming into the building, regardless of the quality of the workspace they are in, it would give you a sense of how many people are coming into the building.

Ms. MCDONALD RIVET. Okay. Thank you. I yield back.

Dr. ONDER. The gentleman from Alabama, Mr. Figures, is recognized for 5 minutes.

Mr. FIGURES. Thank you, Mr. Chair.

Mr. Marroni, I think most of my questions will be for you, and I just want some clarity, because I am down in Mobile, Alabama, and that is where I am from. My district covers a few other cities, including Montgomery, Alabama. But we hear through media reports of different facilities being identified. Some are on the DOGE list, some are not on the website. And so, in hopes of getting some clarity around the process of how these decisions are being made, I am hoping that we can get some understanding here.

Do you personally communicate with anybody on the DOGE team?

Mr. MARRONI. Personally communicate with DOGE? We have not.

Mr. FIGURES. Oh, is that just for you and your component office, or is that for the entire organization?

Mr. MARRONI. So GAO, I know, has had some limited interactions with DOGE. But in our overall work, most of our work is with GSA, since they are the action on Federal property.

Mr. FIGURES. Right. But during the GSA process for acquisition, you guys are in contact with GSA.

Mr. MARRONI. For any of our audit work that is on Federal real property, we are almost certainly going to be in contact with GSA.

Mr. FIGURES. And before the DOGE process, did you guys have a role in the—let's call it getting rid of any physical property?

Mr. MARRONI. So our role is to investigate and look at ways to do disposals more effectively and efficiently, just overall Government operations more effectively and efficiently.

So we have been involved over the years in looking at this challenge of underused space, of how to dispose of that property, and right-size real property holdings, but as an independent auditor, not as a—involved in the——

Mr. FIGURES [interposing]. Yes.

Mr. MARRONI [continuing]. Decisionmaking process.

Mr. FIGURES. Got it. But you guys have that expertise in that——

Mr. MARRONI [interrupting]. We do have that expertise.

Mr. FIGURES [continuing]. In terms of investigating, yet you guys are not being consulted in the process currently.

Mr. MARRONI. No, although we typically would not be. We are not involved in executive branch decisionmaking.

Mr. FIGURES. Yes.

Mr. MARRONI. So we ask questions based on our audit objectives, and we want information back on those questions, but we aren't involved in the decisionmaking process.

Mr. FIGURES. Absolutely. And Mr. Winstead, I do have one for you, as well. As we are making these—my concern is that these decisions are being made so fast, and I am in, I think, the same boat as everybody, I don't think anybody wants us to be sitting on unused real estate and paying for it. But I get the feeling that these decisions are being made so fast, and so—just in such a rush that there is not sufficient investigation going on or sufficient collaboration going on in terms of what are the long-term needs or what are the possible needs of leases that we are terminating.

And I am also—we are getting reports that DOGE is saying that they terminated leases that were terminated months ago, if not years ago, before the Trump administration came in. And so it just leads me to being very concerned about communication and streamlined communication as the decisionmaking process is going forward with which leases to terminate.

Again, if we don't need it, we should terminate it, but can you talk to us a little bit about the suggestions that you would provide in terms of making sure that the decision process is being as informed as it can possibly be?

Mr. WINSTEAD. Sure, Congressman. So with the assets that I referred to in this report and that we were really examining and have been, we have done it over a longer period of time, and this isn't something that has just happened. We have really been looking at it for 2½ years.

And our engagement with the administration is both directly with the Commissioner on a weekly basis, and also OMB on a—not a weekly, but a regular basis in terms of what we are finding, in terms of the sustainability of that building and the lack of need for it over the long term, so that our recommendations are fully vetted with the agency and that their review, GSA's independent review of their portfolio, can consider what we are looking at in the assets that we have targeted as the highest value that grossly—most of them totally unutilized, and the best return to that host jurisdiction in terms of redeveloping that property for—it goes on that local tax roll, it creates new construction jobs, and that kind of thing.

So we are very much engaged, coordinating with the Commissioner of Public Buildings Mike Peters, his team, and also the new OMB people that are overseeing GSA.

Mr. FIGURES. Thank you.

Mr. Speaker, I yield back. Or Mr. Chairman, I am sorry.

Dr. ONDER. The chairman recognizes the gentleman from Tennessee, Mr. Cohen.

Mr. COHEN. Thank you, sir.

I was watching my television, and I saw Mr. Stanton asking questions about this issue, and it is something that concerns me because I was informed by my staff yesterday that they got some Bloomberg report that showed that the GSA and Mr. Genius from South Africa were proposing closing the Memphis Federal Building, which contains our courthouse, our U.S. attorney, our U.S. marshals, the Corps of Engineers, probation office, and my office. So it came as a bit of a shock to me.

I knew some of the judges had been trying to find a new building for Memphis to have a courthouse, where—I don't think we are very high up on the prospective courthouse list, and it seems like we should at least be on the list for a new courthouse before they get rid of the courthouse we are in. The Federal building we have now is 98 percent occupied. The judges claim that there are a lot of problems in the building, and they have shown me pictures of the vents with lots of black gook in it and whatever. They tote those around with them like Hugh Hefner probably would have carried centerfolds. And it is pretty strange, but that is what they do.

I have no problem with the Federal Building. I have been there for 18-plus years and have never had a problem. They say they might have a problem with the security, and that the elevators could take the prisoners up and down and from holding tanks to court. There has never been a prisoner, I think, ever escape or ever try to escape in 35, 40 years. All of a sudden, oh, we have got to have a new building.

Do either of you all know anything about the Memphis Federal Building, and how it got put on the list, and what the story is?

Mr. MARRONI. No, not me.

Mr. WINSTEAD. Congressman, I do not know what the current review by GSA is on that property.

I will tell you that GSA, from my background, 15 years ago, the Federal courthouses and the mixed-tenanted Federal courthouses, where there is other—a lot of the renovation that has been driven was really to improve the security in that courthouse in terms of the flow between the visitors, the members of the jury, the judges, and the defendants. So GSA put in billions of dollars over the last 15 years upgrading courthouses.

I don't know the Memphis specifically. I haven't had the pleasure of going there. But there could be some issues there about the value of maintaining and renovating that building versus a new courthouse. That is the only thing I can—but at 95 percent occupancy, I mean, that is a utilized building.

Mr. COHEN. Right.

Mr. WINSTEAD. I mean, that is highly utilized. So it is not on the parameters that the committee and the new legislation directs that—it is higher than 60 percent.

Mr. COHEN. So——

Mr. WINSTEAD [interrupting]. But there could be some rationale about the safety of that building because of the court function and the need to separate. The older courthouses do not have the separation that the newer courthouses do.

Mr. COHEN. Yes, well, it is more difficult to get into the building with the security we have and the limited entrance they have now than it would be to get into Charlie Palmer's by giving steak away, and Charlie Palmer isn't here anymore, the Capital Grille, or whatever.

So yes, I was just shocked. And I guess—I don't know if GSA is out there listening. GSA, if you are listening, please find the tapes, the letters—it was the letters. Well, the emails. The emails, yes. But I imagine they are listening.

The Congressman has more to do with that building than the judges. The judges have—I don't know how they found the time to spend all this time trying to find a new building when they have got all these cases to deal with, but it seems like if they are going to sell a building—and they have to have a buyer, and there hasn't been a lot of buyers for buildings in that neighborhood recently—but they should at least have a place to put the courts and the other offices that are housed there now before they decide they are going to sell the building and tear it down.

Mr. WINSTEAD. Absolutely. And I am sure GSA is monitoring this, so I know that they will get back to you.

Mr. COHEN. Thank you, GSA. My name is Steve Cohen, C-o-h-e-n.

[Laughter.]

Mr. COHEN. I am on the third floor of the Odell Horton Building, which I had named for Odell Horton, a famous jurist, an African-American jurist, and named for him because he is an inspiring figure for young people who want to go into the law. And he was a great judge, and a great prosecutor, and African American, and don't tear him down. Thank you, GSA.

Dr. ONDER. The chair recognizes the gentlelady from New Jersey, Ms. Pou.

Ms. POU. Thank you. Thank you, Mr. Chairman, and thank you to our Ranking Member Stanton for letting me participate in this very important meeting, and especially the timely—what a timely hearing it is.

I want to ask our witnesses if you would please turn around and see if you—do you know the man who is in that portrait right there that I am pointing to?

So let me just tell you who he is. He is Robert Roe, one of my predecessors in Congress. Bob Roe was the chairman of this committee. Then it was called the Public Works Committee. I asked because Bob Roe's name adorns the Federal building in my home city of Paterson, the same Federal building we just learned just today is on a list of 440 properties to be disposed by the Trump administration. The IRS and the Social Security Office have public offices facing there at this very moment, serving the people of the third largest city in the State of New Jersey and all of our other neighboring towns.

The lines to access needed services form very early in the morning. The Roe Building is a critical resource for our community. Just last year in October, the GSA awarded a contract for $5.8 million, courtesy of the Inflation Reduction Act, for the much-needed renovations and repair. So now, less than 6 months later, the proposed sale of the Roe Building strikes me as totally nonsensical, and I will vigorously, as you can see, will indeed oppose this.

So I want to ask, and I want to start with Mr. Winstead, can you please explain to me and to this body here how the list of the buildings to be sold was compiled?

And can you explain the Trump Government's criteria and rationale?

Mr. WINSTEAD. Congresswoman, that building, the Roe Building, is not on the list that our Board is looking at. It was issued on a list that came out, I think, Tuesday.

Ms. POU. Right.

Mr. WINSTEAD. And then was withdrawn. I think—again, I think that GSA will fully get in touch with you on that, and I will, obviously, convey that, as well.

So that list was withdrawn, I think, last night.

Ms. POU. So let me just say, well, first of all, I am very happy to hear that. But to be honest with you, for us to be hearing—I know one of my fellow colleagues spoke about it just before I did—to hear that these lists or these properties—to hear from the public, which is how I actually learned about it, because it was in the newspaper, not because anyone notified—and the fact that, if it was in fact withdrawn, we get absolutely no notification and information.

So I really believe, Mr. Chairman, and our two folks that are here today presenting testimony, we really have to have a better line of communication so that we can avoid these things from happening.

I am very happy to hear that. I look forward to GSA communicating with my office to letting us know what is the real status. Believe me when I tell you, we are dealing with one of the most highly needed—and I listened very carefully to your point earlier, when you were mentioning or responding that it is based on the highest and best use of the building. There could be no better use for that building than for the use of making sure that they are providing the much-needed services to the people of our district. And they are doing their jobs.

So I am going to just be looking out for that, and thank you so very much for your comment. So I will be looking out for that. Thank you.

I yield back. Thank you.

Dr. ONDER. Thank you.

The gentlelady yields back. Are there further questions from any of the members of the subcommittee who have not yet been recognized?

Seeing none, that concludes our hearing for the day.

I would like to thank all of the witnesses who appeared before us today. The subcommittee stands adjourned.

[Whereupon, at 3:26 p.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS TO DAVID MARRONI, DIRECTOR, PHYSICAL INFRASTRUCTURE, U.S. GOVERNMENT ACCOUNTABILITY OFFICE, FROM HON. GREG STANTON

Question 1. GSA is turning off the 654 electric vehicle charging stations installed at federal buildings and selling its fleet of 25,000 electric vehicles purchased under the Biden Administration for almost $1 billion.[1] How does destroying and selling off equipment that the government has already paid for benefit the taxpayer?

ANSWER. We have not been asked to evaluate the Trump administration's plans for electric vehicle charging stations or the consequences for the federal budget. We are not aware of any official administration plans to sell electric vehicles currently in the federal fleet.

A March 2025 General Services Administration (GSA) Order changed GSA policy to allow for the discontinuation of "non-mission critical" electric vehicle supply equipment infrastructure.[2] Under this new order, customer agencies must provide GSA a written determination stating that they have a mission-critical need to charge electric vehicles at federally-owned facilities under GSA's control. If an agency already has parking with electric vehicle charging capabilities, GSA is to ensure the charging stations remain operational as long as the mission-critical need exists. This policy does not authorize any new installations of electric vehicle supply equipment but allows agencies to apply for an exemption for mission-critical needs.

In December 2024, we reported on the costs and benefits of operating and maintaining electric vehicles in the federal fleet.[3] Agency officials told us that reaching the zero emission vehicle goals set by the Biden administration would largely depend on the availability of charging infrastructure.

Question 2. In 2019 the Trump Administration moved some Department of Agriculture and Bureau of Land Management staff from Washington, DC to Kansas and Colorado. The Administration said the relocations were necessary to "find highly qualified staff, place resources closer to users, and reduce costs."[4] Last week the Trump Administration directed federal agencies to suggest relocations of offices out of the National Capital Region to less expensive areas of the country. GAO closely studied the 2019 USDA and BLM relocations. Did they reduce costs and attract highly qualified new staff to the agencies? How did the moves impact agency operations and what was the quantifiable benefit of "placing resources closer to users"?

ANSWER. The relocation of the Bureau of Land Management (BLM) from Washington, D.C. to Grand Junction, Colorado was announced in July 2019 and completed in August 2020. In November 2021, we reported on changes to BLM's workforce because of the relocation and the agency's workforce planning efforts.[5] We found that the relocation affected the number of vacancies, the makeup of existing staff, and agency operations at BLM. Specifically, we found that BLM headquarters vacancies increased from 121 in July 2019—before the relocation was announced—to 326 in March 2020—after the relocation was announced but had not yet been completed. Furthermore, we found that from January 2016 to January 2021 the number of headquarters staff with at least 25 years of service declined from 171 to

[1] https://www.eenews.net/articles/trumps-reversal-of-ev-program-could-carry-a-hefty-price-tag/

[2] General Services Administration, *GSA Order: Electric Vehicle Supply Equipment (EVSE) in Federally Owned Facilities Under GSA's Jurisdiction, Custody, and Control*. GSA Order PBS 5605.1B. (Washington, D.C.: March 3, 2025).

[3] GAO, *Federal Vehicle Fleet: Efforts are Underway to Facilities the Transition to Zero Emission Vehicles*, GAO–25–106972, Washington, D.C. (Dec. 17, 2024).

[4] https://www.gao.gov/products/gao-22-104540

[5] GAO, *Bureau of Land Management: Better Workforce Planning and Data Would Help Mitigate the Effects of Recent Staff Vacancies*, GAO–22–104247, Washington, D.C. (Nov. 16, 2021).

113. BLM officials told us that the loss of experienced staff negatively affected their ability to conduct their duties. For example, one staff member said that the loss of institutional knowledge about laws and regulations meant that BLM was not able to provide knowledgeable input on proposed rules and legislation.

In September 2021, the Secretary of the Interior announced that BLM's national headquarters would return to Washington, D.C., and Grand Junction, Colorado, would become the bureau's Western headquarters. The scope of GAO's report did not include possible benefits or costs of BLM's headquarters relocation.

The United States Department of Agriculture (USDA) relocated two of its research agencies—the Economic Research Service (ERS) and the National Institute of Food and Agriculture (NIFA)—from Washington, D.C. to Kansas City, Missouri in September 2019. Our December 2022 report reviewed the changes in workforce size and productivity following the relocation.[6] With regard to agency staffing, we found that the agencies initially each lost over half of their staff, with vacancies in key positions such as managers and economists. The decline in managers impacted the agencies' hiring because they did not have a sufficient number of managers to help make decisions on hiring. Two years after the effective date of the relocation, the agencies had hired enough staff in key positions such that, by the end of fiscal year 2021, they had reached or exceeded the levels of staff that they had as of the end of fiscal year 2018. However, two years after the relocation, the agencies' workforce was composed mostly of new employees with less experience at ERS and NIFA than the prior workforce.

Regarding agency operations, in fiscal years 2019 and 2020, ERS produced fewer research reports and journal articles than in previous years, and NIFA experienced delays in processing grants in fiscal year 2020. At ERS, as staffing increased in 2021—2 years after the relocation—the number of research reports and journal articles also increased substantially, with research report numbers similar to numbers for the few years prior to the relocation. At NIFA, the agency's processing timeliness for grants had recovered to previous fiscal years' levels by fiscal year 2021. The scope of GAO's report did not include possible benefits or costs of USDA's relocation.

Question 3. GAO has had GSA real estate on the high-risk list for many years. What is your assessment of the Trump Administration's priorities for the federal real estate portfolio? What do you think of GSA shrinking space BEFORE agencies understand the impact of President Trump's recent return to work order, early resignation offer, and mass firings?

ANSWER. Federal real property management has been on GAO's High Risk List since 2003 in large part due to underused space. Federal agencies have long struggled to identify and shed unneeded space. In this administration, GSA is taking a more proactive approach to shedding space. However, agencies need reliable data to support real property management and decision-making. The Utilizing Space Efficiently and Improving Technologies (USE IT) Act now requires agencies to measure building utilization and plan to reduce underused space, but those measurements are not yet complete.[7] Agencies are required to begin collecting utilization data by July 3, 2025 and publicly report utilization data in January 2026. The Act directs the Office of Management and Budget (OMB) and GSA to notify any agency that fails to achieve an average 60 percent building utilization of its excess capacity. At that point, agencies will need to start planning to consolidate or dispose of properties. After 2 years, GSA could take steps to dispose of those underused spaces.

Question 4. President Trump recently ordered all federal workers to return to their offices. Was GSA consulted before the Return-to-Work Executive Order was signed by the President? If agency headcounts are in flux how does GSA know how much space agencies need?

ANSWER. GAO is not aware of the timing or nature of any Trump Administration consultations with GSA regarding orders for federal employees to return to offices. However, it would be difficult to fully understand agency space needs until the agencies complete the USE IT Act-mandated utilization measurements later in 2025. GSA is currently moving forward on disposing of some owned spaces that are already known to have low utilization.

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[6] GAO, *Agency Relocations: Following Leading Practices Will Better Position USDA to Mitigate the Ongoing Impacts on Its Workforce*, GAO–23–104709 , Washington, D.C. (Dec. 14, 2022).

[7] The USE IT Act was enacted as division B, title III, of the Thomas R. Carper Water Resources Development Act of 2024, Pub. L. No. 118–272, div. B, tit. III, § 2302, 138 Stat. 2992, 2318 (2025). The USE IT Act requires covered agencies to begin collecting utilization measurements beginning no later than July 3, 2025, 180 days after the date of enactment. § 2302(b)(2).

Question 5. In 2024 OMB established a space utilization standard of 150 square feet per person. Is 150 square feet per person still the requirement or is the Trump Administration using a different metric?

ANSWER. The USE IT Act, enacted in January 2025, sets the utilization standard at 150 useable square feet per person to measure building utilization. The Act required GSA and OMB to establish standard methodologies for measuring occupancy in public buildings and federally-leased spaces by March 5th, 2025. As of April 2nd, 2025, GSA posted a list of occupancy data collection tools that agencies can use to meet the requirements of the USE IT Act on their website, but it did not post information on the standard methodologies.

Question 6. The Administration has announced its intent to downsize the government, move some Federal employees/agencies out of DC, and sell some building assets. This would seem to require significant planning for space consolidation and reconfiguration of the offices and buildings that the agencies will retain and occupy. Can GSA support these consolidation needs with half of their staff? How can GSA ensure that contractors meet their obligations and provide quality services with a 50% reduction in staff? Does GAO see this as a risk of waste, fraud, and abuse by the contractors?

ANSWER. GSA officials told us that GSA's restructuring is ongoing, and a full reorganization will not be completed until later this year. Until then, it is difficult to determine how many staff it will retain or how it plans to meet its obligations. As we have reported, a highly skilled federal workforce is critical to address challenges, and skills gaps within federal agencies impede the government from achieving desired results.

The government is responsible for overseeing contractors and monitoring their performance and compliance with the terms and conditions of contracts. For example, to confirm their employees' eligibility to work in the U.S., most federal contractors must use the E-Verify program. The Office of Management and Budget (OMB) expects agencies to ensure that their contractors comply, but not all agency officials are aware of this expectation. Also, the Department of Homeland Security previously gave agencies a quarterly list of contractors enrolled in and using E-Verify. However, it discontinued this report in 2022 due to data accuracy issues. Without clear expectations and useful data, agencies may not be checking their contractors' compliance with this requirement.[8]

In a separate example from our 2024 report, the Department of Veterans Affairs (VA) increasingly relies on contractors for a wide range of services. But if contractors perform certain functions—e.g., providing legal advice or supporting budget prep—without additional oversight, they could pose risks to government decision-making and accountability. OMB has issued guidance to help agencies determine which contracted services need this oversight, but VA has yet to fully implement this guidance.[9]

Question 7. The Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA) provided GSA with funding to repair and construct Land Ports of Entry and utilize emerging and sustainable technologies in construction projects. What percentage of BIL and IRA funding has GSA obligated? Has GSA frozen any IRA or BIL funding? If so, how would that impact projects that are already underway? Are all the projects with approved prospectuses proceeding as approved?

ANSWER. According to GSA-provided data, as of January 31st, 2025, GSA had obligated roughly 49% of legislated funding from Inflation Reduction Act (IRA). According to GSA-provided data, all IRA disbursements remain on hold and IRA obligations are limited to active construction projects. GSA documents state that programs funded under the IRA are currently under review to comply with GSA's new core asset strategy and with Executive Order 14154—Unleashing American Energy.[10]

Question 8. For 25 years, GSA has spelled out the requirements for major Federal projects in a policy titled P100. This policy has encapsulated Federal statutory and regulatory requirements, and other buildings provisions, to enable effective design and construction that meets these needs. Among other things, the P100 requires third party certification to verify that key aspects such as energy efficiency are met. GSA's new leadership recently revoked the P100. How might this affect efficiency and resilience of Federal buildings?

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[8] GAO, *Federal Contracting: Agencies Can Better Monitor E-Verify Compliance*, GAO–24–106219, Washington, D.C. (October 3, 2023).

[9] GAO, *VA Acquisition Management: Oversight of Service Contracts Needing Heightened Management Attention Could be Improved*, GAO–24–106312, Washington, D.C. (Jan. 25, 2024).

[10] Exec. Order No. 14154, 90 Fed. Reg. 8,353 (2025)

ANSWER. GSA rescinded PBS P100 on February 24, 2025—replacing the 368-page set of standards with an 11-page interim list of laws, executive orders, codes, regulations, and standards for use by contracting officers, project teams, and others in developing contract documents for design, construction, renovation, or maintenance projects. However, GSA documents state that the interim standards are not a fully complete list of all applicable laws and regulations and stated it is the responsibility of contractors to comply with all requirements. GSA also indicated that the standards are interim until a process is developed to update the P100 in accordance with the Water Resources Development Act (P.L. 118–272).[11] GAO has not evaluated the changes this rescission could have on the efficiency and resilience of federal buildings.

QUESTIONS TO DAVID WINSTEAD, BOARD MEMBER, PUBLIC BUILDINGS REFORM BOARD, FROM HON. GREG STANTON

Question 1. GSA uses brokers to negotiate leases and assist in property disposals. Brokers must be paid commission while GSA employees do not. Should GSA increase its use of brokers to dispose of properties?

ANSWER. The scale of the surplus federal buildings that the PBRB are analyzing are too large and complicated, to reach maximum sales return to the taxpayer through a public auction process. An outside broker retained on a property-by-property basis, with specific knowledge of the local market, and contacts with the right potential buyers is absolutely needed to maximize sales return. The broker fee should be substantially below the usual brokerage fee for a federal lease, and experts have suggested 1%.

Question 2. If GSA is increasing building disposals and lease eliminations, who is going to do the labor-intensive work of disposing of leases and space and relocating agencies? Will GSA need to hire contractors to assist with the expanded workload?

ANSWER. The current transition and reduction in federal work force will require that GSA has competent warranted contracting officers to deal with the expedited sale of FASTA assets, and approval of leases. In addition, workplace experts are needed to reconfigure space for the relocation of federal employees moving to more cost-effective federal buildings or leased space.

Question 3. GSA and the FBI have been working on a plan to replace the Hoover Building since 2011 because "the Hoover Building does not fully support the FBI's long-term security, space, and building condition requirements; is not designed to meet the needs of today's FBI; is nearing its life-cycle age; and is exhibiting signs of complete deterioration." [1]

FBI Director Kash Patel recently told senior FBI officials of plans to relocate up to 1,000 employees from Washington, DC to field offices around the country and move an additional 500 to Huntsville, Alabama.[2] What plans does the Trump Administration have for the FBI's current headquarters?

ANSWER. GSA needs to respond.

Question 4. To meet Biden-era goals of achieving net-zero building emissions by 2050, GSA building owners to report building energy consumption, greenhouse gas emissions and water usage to the EPA. Is it true that GSA will no longer include the reporting requirements in new leases that are 25,000 square feet or greater or where the federal government occupies 75% or more of the total building? How will this policy shift impact building owners? Doesn't using less water and less energy save money for building owners and lower operations costs? How does this decision benefit taxpayers?

ANSWER. GSA needs to respond. However, the Real Estate Roundtable's Sustainability Committee has worked closely with EPA and DOE, over recent years, to ensure that federal LEED requirements are achievable, and reflect the current depressed state of commercial office buildings and their economics. More efficient

[11] The Thomas R. Carper Water Resources Development Act of 2024 included a provision directing GSA to revise the process by which the P100 is updated or changed. Pub. L. No. 118–272, div. B, tit. III § 2309, 138 Stat. 2992, 3227 (2025).

[1] https://www.gsa.gov/about-us/newsroom/congressional-testimony/written-statement-of-elliot-d-doomes-commissioner-of-the-public-buildings-service-of-the-us-general-services-administration-before-the-subcommittee-on-economic-development-public-buildings-and-emergency-management-of-the-committee-on-transportation-12122023

[2] https://federalnewsnetwork.com/workforce/2025/02/kash-patel-sworn-in-at-white-house-as-new-fbi-director-calls-it-the-greatest-honor/

HVAC, water and electrical/IT systems, with solar and green roof options, have become more achievable in recent years in major urban office markets, where "green" buildings can be seen as a competitive advantage in attracting tenants. Also, more efficient federal buildings can indeed save money and benefit taxpayers.

Question 5. Not all federal space is the same. In addition to general office space, agencies use science labs, warehouses, data centers, SCIFs, shooting ranges, and more. Should the federal government own specialty space and lease all-purpose office space? Should GSA dispose of leased space where tenant agencies have made significant investments in tenant improvements such as holding cells, an evidence room, or counterintelligence equipment?

ANSWER. Major investments from the Public Buildings Fund over the past decade have been into more secure federal courthouses, and the expansion of highly secure land ports of entry. These types of facilities, as well as law enforcement and intelligence/national security space, can be highly specialized, with unique security requirements, and therefore, have been seen as prime core federal real estate holdings. Generic office space, even incorporating SCIF facilities, has been seen as more cost-effective to lease, where there is great interest and competition from the private sector to provide such space and facilities. Where the taxpayer has made major investments in tenant build-outs and equipment in leased space, a careful cost analysis must be conducted to justify relocation.

Question 6. As GSA eliminates space, should customer-serving operations such as Social Security field offices and VA health facilities be treated the same as general office space? How can GSA ensure that the taxpayers who pay for these federal services will still have access to them?

ANSWER. GSA needs to respond.

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