

Presentation Overview

- Upcoming transitions and GAO's role
- Common challenges confronting federal, state, and local governments
- Implications of global developments

Upcoming Transitions

- The first time since 1952 that there is neither an incumbent President nor Vice President running
- Only the second major transition in the last 16 years; the first in a post 9/11 environment
- Eleven states and two territories holding gubernatorial elections

Presidential Transition Act

- Enacted in 1964 for an orderly transfer of executive power
- Provides for federal funding and disclosures
- Recognizes GAO as important resource

GAO's Evolving Strategy to Serve the Congress and the Nation

- Continue identifying major risks, 21st century challenges, and opportunities
- Press forward on key management reforms
- Sustain attention on the nation's long-term fiscal imbalance

GAO's Role in Transition Efforts

- Update the high-risk list, which covers four areas:
 - broad-based transformations
 - federal contracting
 - tax law administration
 - insurance and benefit programs

GAO's Role in the Transition (cont'd)

- Outreach to new members and their staff
- Develop transition websites and materials:
 - salient points from key GAO products
 - agency-specific program and management issues
 - crosscutting/government-wide issues
 - open recommendations

GAO's Role in the Transition (cont'd)

- Reviewing agencies' plans, with a particular focus on homeland security
- Monitoring the presidential transition to capture and highlight lessons learned and possible future revisions to the Presidential Transition Act

Common Challenges

In light of transitions, federal, state, and local governments will need to maintain focus on:

- emergency preparedness & homeland defense
- critical infrastructure systems
- 2010 Census

Emergency Preparedness and Homeland Defense

- Role of the “new” FEMA
- Gaps in NORTHCOM collaboration
- National Guard and Reserve readiness
- Public health systems and pandemic planning

The New FEMA

- FEMA given the lead to prepare for and respond to major disasters, including catastrophic disasters and terrorist incidents
- FEMA, rather than the Red Cross, designated as the lead for mass care and shelter
- FEMA to build robust partnerships with states, local governments, and nonprofit/private organizations

The New FEMA (cont'd)

FEMA has enhanced its responsibilities for coordinating the activities of voluntary organizations:

- established a national council and 10 regional advisory councils
- created regional planning positions to facilitate coordinated federal, state, and local emergency preparedness plans

However, GAO has found that FEMA does not currently have a sufficient number of specialized staff to meet this responsibility

Gaps in NORTHCOM's Collaboration

- NORTHCOM officials minimally involved the states in developing homeland defense and civil support plans
- NORTHCOM officials were unfamiliar with state emergency response plans
- Existing agreement between NORTHCOM and National Guard Bureau does not clearly define roles and responsibilities

National Guard and Reserve Readiness

- Balancing Guard's work on overseas missions with efforts related to domestic catastrophe
- Improving planning efforts to identify the Guard's requirements for responding to large-scale, multi-state civil support missions
- Using alternative funding sources for the Guard's civil support role

Public Health System and Pandemic Planning

In consideration of a mass casualty event or public health crisis:

- Assessing states' preparation for a medical surge and efforts to clarify the role of first responders (ongoing)
- Enhancing the tools of state audit offices to evaluate pandemic planning at the local level (e.g., partnership efforts of the Domestic Working Group)

Critical Infrastructure Systems

- Power distribution
- Water supply
- Telecommunications
- National defense
- Emergency services

All rely on computerized information and electronic data

Critical Infrastructure Systems (cont'd)

Protecting

- Improving physical security
- Guarding sensitive information (cyber CIP)

Financing

- Recognizing that traditional sources of funds may be insufficient
- Exploring alternative financing mechanisms

The 2010 Census

Long-standing deficiencies and emerging challenges with the 2010 Census include:

- shortcomings in managing information technology
- uncertainty of cost estimates
- the elimination of several dress rehearsal activities

Examples of Relevant CG Forums on Cross-cutting Domestic Issues

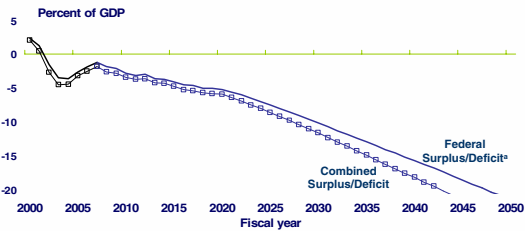
Recent Forums

- Counter-terrorism
- Homeland security risk management
- Natural resources and environmental sustainability
- Transportation policy
- Future of health care
- Global competitiveness & higher education

Upcoming Forums

- Investing in children and families
- Building a strong human capital base in the government accountability community

State and Local Fiscal Challenges Add to the Nation's Fiscal Difficulties



Source: GAO's April 2008 analysis.
*Under GAO's Alternative simulation.

Implications of Global Developments

- Food and drug safety
- Food and energy supply
- Debt finance and financial markets

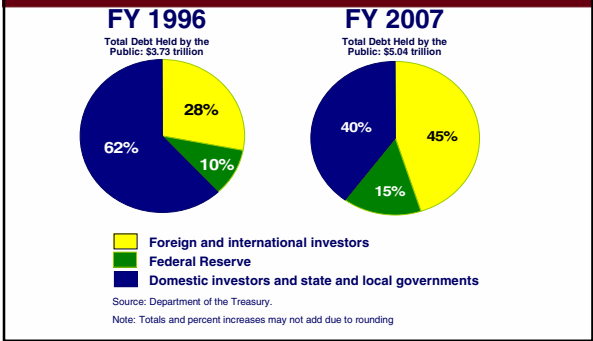
Food and Drug Safety

- Federal oversight of food safety added to GAO's high risk list in 2007
- Global food and drug supply issues critical
 - Weaknesses in FDA's inspections of foreign drug and foreign medical device manufacturers
 - accidental contamination of FDA-regulated food products

Food and Energy Supply

- Ongoing work:
- Threats to food security and World Food Summit improvement efforts
 - Foreign countries' responses to food borne illnesses
 - Global Nuclear Energy Partnership

Foreign Ownership Share of Federal Debt Held by the Public Has Increased



Debt Finance and Financial Markets

Ongoing work:

- Implications of sovereign wealth funds
- Poor country debt relief
- U.S. financial regulatory structure

