

Written Statement of Edward C. Forst
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Before the
Senate Committee on Appropriations
Subcommittee on Financial Services & General Government (FSGG)
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Good afternoon, Chairman Hagerty, Ranking Member Reed, and members of the Subcommittee. Thank you for the opportunity to appear before you today. My name is Edward C. Forst, and I serve as the Administrator of the U.S. General Services Administration (GSA). While today's hearing is focused on the Public Buildings Service, GSA encompasses so much more than that. Our Agency operates across three business lines: the Public Buildings Service, Technology Transformation Services, and the Federal Acquisition Service. GSA's mission is to deliver the best customer experience and value in real estate, acquisition, and technology services to the government and the American people.

To fulfill PBS's mission, I ask that Congress give GSA full annual access to the Federal Buildings Fund (FBF), stop raiding this fund for non-GSA programs, and raise our prospectus threshold to empower us to directly address our critical maintenance needs.

The Federal Buildings Fund (FBF) was created by Congress to provide a consistent revenue stream, used solely for GSA to construct, repair, renovate and care for our federal real estate footprint. Congress appropriates funds to federal agencies to pay for their rent. The rent, based on commercial rates, is then collected by GSA and goes into the FBF. GSA must then request congressional approval to utilize those funds. GSA can only access the amount of dollars that Congress permits. In other words, GSA is prohibited from using the funds from the FBF without Congressional approval.

It pains me to say this, Congress refuses to let GSA spend the money that it already appropriated. And worse, it has hijacked the Federal Buildings Fund for the last 15 years, taking approximately \$1 billion annually for non-GSA programs.

This negligence has consequences. GSA's repair backlog has exploded by 408%, resulting in nearly half of our inventory falling into "fair" or "poor" condition, requiring extensive repairs to remain safe, functional and operable.

In short, these actions have stymied GSA's ability to address facility reinvestment needs that agencies expect and deserve when they pay rent. No private sector real estate portfolio manager could operate successfully or would under these limitations.

Consequences of Continued Funding Shortfalls

The issue of underfunding is quantifiable. Since 2011, \$15.6 billion has been diverted by Congress from the Federal Buildings Fund to be used elsewhere. Adjusted for construction cost inflation, this represents approximately \$22 billion in today's dollars—a staggering loss of taxpayer value, squandered opportunities, and irreplaceable architectural heritage. This is real estate malpractice. While this funding diversion continues, our delinquent maintenance backlog continues to increase. According to one estimate, the backlog has grown to \$50 billion.

On top of raiding the FBF, Congress has only provided about half of our budget needs for the last 15 years. For example, it has only appropriated an average of \$646.6 million annually for repairs and alterations projects, while our actual annual request averages \$1.2 billion.

This funding failure accelerates the deterioration of our infrastructure across the nearly 1,600 assets that GSA owns. More importantly, it impacts the health and safety of hundreds of thousands of employees who serve the American people every day.

The average age of these buildings exceeds 50 years, with 126 buildings constructed over 100 years ago. These aren't just buildings, many are architectural treasures that bear witness to history and embody American democracy and craftsmanship. We are choosing between abandoning our architectural heritage or accumulating unsustainable financial liabilities.



Despite these challenges, GSA strategically disposes of underutilized federal assets, which saves taxpayers hundreds of millions through reduced liabilities and operating costs. And we strive to care for the gems in our federal portfolio. But not every disposition is a strategic choice. GSA is forced to sell some of our historic jewels that would have been preserved had Congress approved the

needed maintenance funding. The sale of the Gus J. Solomon Courthouse in Portland, OR, for \$1.8 million in December 2025 is a prime example of this. Listed on the National Register of Historic Places, the Solomon Courthouse, built in 1933 in a neoclassical design, served as the home of the U.S. District Court in Oregon until the Court relocated

to Hatfield Courthouse in 1997. Due to its high reinvestment needs, the Solomon Courthouse remained partially occupied until it was determined that it was cost prohibitive to reinvest in this National Register Listed asset, given GSA's limited funding and competing priorities.



Other historic buildings teeter on the same precipice. The Alexander Hamilton U.S. Custom House in New York stands as an example of American classical architecture and a national treasure. For a decade, GSA has requested funds for critical repairs while watching costs inflate year after year. What began as a \$73.7 million repair project in 2016 has ballooned to \$152.3 million today—a staggering \$78.6 million increase driven purely by delay. Every year of deferral doesn't just add inflation; it multiplies the damage, expands the scope, and transforms manageable repairs into urgencies.

With some buildings in our portfolio, disposition represents the most responsible asset management decision. This is demonstrated by our recent actions and announcements regarding underutilized agency headquarters buildings in Washington, DC.

The former GSA Regional Office Building was almost vacant, costing millions of taxpayer dollars to maintain. It has now entered private hands, where it can contribute to Southwest DC's revitalization. Responsible stewardship means recognizing when a building is no longer an asset but a liability—when the cost to taxpayers and agencies outweighs any reasonable benefit. But we shouldn't be forced into these choices through inaction and neglect.

Delays Damage our Buildings

GSA is calling upon Congress to raise the prospectus threshold to \$75 million for routine maintenance and safety projects. This would allow us to immediately tackle our maintenance backlog. Currently, any project exceeding \$3.96 million requires congressional approval through a process that takes over 435 days. Meanwhile, over 1,300 federal buildings need new elevators, HVAC systems, fire suppression updates, and electrical repairs. Market conditions have pushed basic maintenance costs well

above current thresholds, trapping us in bureaucratic delays while buildings deteriorate. Under the proposed \$75 million threshold, based on funding availability we could address \$128 million in critical repairs, such as the IRS Headquarters Building's \$27.9 million elevator modernization or the \$4.6 million fire alarm replacement at the McClure Federal Building in Idaho. This would allow GSA to fix roofs before they fail, replace elevators before they trap people, and upgrade fire and life safety systems before lives are at risk.

The prospectus approval process currently takes approximately 435 days. The cost to repair just 4 elevators is approximately \$5.2 million, a sum that would exceed the prospectus threshold. Think about that for a moment. Just imagine the consequences when a straightforward repair issue, like a leaking roof, cannot be resolved for over a year. During those 435 days, water infiltrates the building, damaging structural elements and destroying interior finishes. Mold develops, creating health hazards. Only after those 435 days can we begin the contracting process, which can bring us up to 500+ days **before actual work can begin to fix the leaking roof**. None of us would allow this to happen if our homes needed a roof repair.

Tragically, federal buildings in each of your home states—buildings that your constituents and employees rely on daily—are deteriorating and waiting for repairs and replacements.

- In Tennessee, the John J. Duncan Federal Building in Knoxville operates on temporary chillers because its existing 35-year-old chillers have failed.
- In Illinois, multiple federal buildings are facing severe and overdue maintenance issues:
 - Ralph H. Metcalfe Federal Building (Chicago, IL): Since December, this building has had three separate employee entrapments, including a recent rescue in February where a trapped employee had to be hoisted from the 3rd to the 20th floor due to an elevator blind spot. It also suffered a catastrophic valve failure that flooded the server room.
 - Paul Findley Federal Building (Springfield, IL): This facility needs over \$26 million to address critical life safety and infrastructure failures. Issues include:
 - i. Deteriorated plumbing that has already caused six floods and \$2.7 million in damage.
 - ii. Obsolete electrical systems.
 - iii. The absence of fire sprinklers on multiple floors.
 - Everett M. Dirksen U.S. Courthouse and John C. Kluczynski Federal Building (Chicago, IL): Over \$120 million is needed for critical curtain wall

and building envelope repairs to address extensive corrosion, structural connection failures, worsening water infiltration, and deteriorating exterior systems. The recommended restoration work is already overdue, and continued delays increase the risk of structural issues, costly damage, and significant disruptions to federal operations and tenant agencies housed within the Federal Center. The Dirksen Courthouse also has an outstanding \$27 million fire protection prospectus since FY24.

- In Maine, frozen pipes plague Maine's federal facilities. At the Madawaska Land Port of Entry, a burst sprinkler line damaged U.S. Customs and Border Protection equipment and forced a 24/7 fire watch, directly impacting border security operations.
- In Arkansas, two Army Corps of Engineers employees were trapped between floors in Little Rock's Federal Building on November 20, 2025.
- In Nebraska, federal buildings in the state face over \$94 million in delinquent maintenance. The Robert V. Denney Federal Building in Lincoln alone needs \$70 million in repairs, including \$19.6 million for exterior windows that pose security risks. Across Omaha, the Roman L. Hruska Courthouse and the Edward Zorinsky Federal Building need another \$22.6 million just to address life safety issues.
- In Delaware, the J. Caleb Boggs Federal Building carries over \$9 million in liabilities, with nearly \$5 million needed just for elevator repairs. The building's HVAC and roofing systems also contribute substantially to the remaining liability, indicating systemic delinquent maintenance across all major building components.
- Ohio's federal facilities are grappling with a similar elevator crisis, alongside substantial critical repairs.
 - Cincinnati's John Weld Peck Federal Building: Elevator #5 has been non-operational since December 2025. Repairs are delayed until mid-May due to the scarcity of parts for the aging elevator. A federal employee was trapped on October 22, 2025, and the emergency phone failed, forcing the individual to call 911 using a cell phone.
 - Cleveland's Metzenbaum U.S. Courthouse Plaza: This facility requires nearly \$36 million in critical repairs. The work is necessary to address failing concrete slabs, severe corrosion of structural steel supports, ongoing water infiltration, and deteriorating foundation systems, all of which pose a threat to the facility's long-term safety and stability.
 - Akron's John F. Seiberling Federal Building: A prospectus has been outstanding since FY22 for multiple necessary projects, including replacement of the failed waterproofing system, upgrades to the plaza and garage drainage systems, and repairs to the atrium skylight.

Daily failures, outages and entrapments within these federal buildings across your home states endanger employees, disrupt services, and multiply costs, all stemming from the consistent shortfall of GSA's Federal Buildings Fund. These incidents highlight not only the cost of delayed action but also agencies' limited ability to proactively exit high-risk buildings.

The Solutions

GSA is dedicated to providing high-quality space for the agencies that serve the American people. Our federal real estate portfolio requires an updated approach that empowers GSA to manage assets proactively rather than reactively. I am committed to applying disciplined asset management best practices in managing our federal portfolio, ensuring we catch problems early and address them in a cost-effective manner before they spiral into expensive liabilities.

How do we accomplish this? GSA requests Congress to act on the following: full annual access to the Federal Buildings Fund, prospectus limits that reflect today's construction costs, and authority to reinvest property sale proceeds directly into critical repairs.

With these proposals, GSA could preserve architectural treasures while disposing of unneeded buildings. We would think long and hard before offloading historic properties due to funding restrictions. Our buildings serve as the federal government's front door. They are the link between the agencies and the people they serve. As we celebrate our nation's 250th birthday, we have a responsibility to ensure that certain jewels reflect the dignity and beauty of American democracy. Executive Order 14344, "Making Federal Architecture Beautiful Again," gives us a presidential mandate to preserve the architectural beauty that represents our nation's values and heritage.

I spent my career in the private sector managing complex real estate portfolios. I can tell you that no private company would survive operating under the restrictions Congress places on GSA. Congress is forcing us to fail by denying access to our own revenues while simultaneously criticizing us for the inevitable consequences of their failure to act.

This is not a partisan issue. In fact, each year, GSA submits a capital plan as a part of the President's budget request that outlines strategic investments to better meet the government's real estate needs. This is about using money already collected for its intended purpose. This is about basic fiscal responsibility and competent management of taxpayer assets.

Conclusion

I am fully committed to transforming GSA's real estate portfolio management, but success requires Congress to remove these counterproductive funding restrictions. Grant us full access to the Federal Buildings Fund, and GSA will deliver the efficient, effective facility management the American people deserve. Continue the current restrictions and the taxpayer pays the price for deteriorating facilities, billions of dollars wasted, and we stand to lose our architectural gems.

I urge you to work with me in choosing fiscal responsibility, operational efficiency, and common-sense governance. Every member of this Subcommittee has federal buildings in your home state. Some of your own state offices are located in these buildings. Your constituents work in them, receive services in them, and expect them to be safe and functional. Together, we can meet that expectation.

Our mission is clear. We have the revenue. We have the expertise. We have the plans. What we need is the commitment from Congress to partner with GSA in removing obstacles that prevent us from being good stewards of our federal assets.

I welcome your questions and look forward to working with this Subcommittee to restore common sense to federal building management.