

BROADBASED BUDGET REFORMS:

Common Sense Spending Caps

Non-defense Discretionary Spending Saves \$317 Billion (over 5 years)

Considering the magnitude of the current deficit, it is important to cap the growth of non-discretionary funds. In order to control the deficit, we should limit non-defense discretionary spending growth to the rate of inflation. This limit would produce savings of \$317 billion over the next five years. The budget is based on the assumption that future spending will match or exceed current spending. For example, in the President's budget submission, non-defense discretionary spending grows from \$486 billion this year to \$522 billion next year. Spending at this rate will reach \$608 billion five years from now.

Commission to Review Government Spending (Indeterminate)

The Federal Government should follow the example of President Reagan and state governments by creating a commission to root out the waste in discretionary and entitlement programs.

In 1982, President Reagan requested an investigation of waste and inefficiency in the Federal government. The Grace Commission was staffed by volunteers, led by private sector experts and operated at no cost to taxpayers, pinpointing endless opportunities for cuts. In 2007, Governor Mitch Daniels (R-IN) created a "Blue Ribbon Commission on Local Government Reform" to recommend ways to restructure local government to more efficiently use Indiana taxpayers' money. In April 2009, Governor Bobby Jindal (R-LA) created a Commission on Streamlining the Government; its mission was to examine each state department or agency to determine what functions, powers, duties and responsibilities could be eliminated, streamlined, consolidated, privatized or outsourced to reduce the cost of state government.

The government should create a commission based on the Grace Commission, at no cost to the taxpayer, to find and terminate needless or redundant spending.

Balance New Programs with the Elimination or Reduction of Old Programs (Indeterminate)

The Administration and Congress should require the creation of a new program be accompanied by the termination or reduction of an existing program. This would slow the growth of government and force Congress to prioritize spending by eliminating or reducing existing programs. Congress and the Obama Administration are currently allowed to launch new programs without reducing spending in other areas. New proposals should be judged based on importance relative to what the government is already doing. If a new program is necessary it is often because an existing program is ineffective. This proposal would force the termination of the old ineffective program

when a new program is launched and the merging of resources from the old program to the new program. This avoids the expense of launching a new program at a time when the government can not afford to carelessly spend our money launching new programs.

Opportunity to Review Legislation (Indeterminate)

A mandatory minimum 72-hour review period before Congress acts on legislation would provide the public and their elected officials a greater opportunity to find and remove waste. Members of both parties, including President Obama, have championed the idea of transparency in government. The American Legislative Exchange Council (ALEC) and the pro-transparency Sunlight Foundation have endorsed this idea.

FOCUSING ON DEFICIT REDUCTION:

Devote Repaid TARP Funds to Deficit Reduction (\$68 billion + Current Year)

The Administration wants funds repaid from capital injections made under the Troubled Asset Relief Program (TARP) to be “recycled”. This means when banks repay money taxpayers loaned them, the money returned will pay for additional bailouts! All repaid TARP funds and proceeds from TARP investments should go immediately to reduce the deficit. Reports suggest financial institutions intend to repay up to \$68 billion in capital injections; allocating these funds to deficit reduction rather than putting them toward more bailouts saves taxpayers \$68 billion.

CONSOLIDATING PROGRAMS, TERMINATING LOW PRIORITY PROGRAMS, AND REFOCUSING FEDERAL PROGRAMS ON CORE FEDERAL PRIORITIES:

Consolidate Federal Arts Programs (Saves \$60 Million over 5 years)

The National Endowment for the Arts and the National Endowment for the Humanities are currently two separately run Federal programs, each with its own director and administrative budget that total over \$30 million a year. Consolidating the two agencies into one eliminates duplicative administrative functions. Assuming the consolidation would save at least 20% per year, the government would save \$60 million over five years. Why pay for two programs when one can fulfill the responsibilities of both? This is a prime example of government waste through the endless number of programs that duplicate the same goals.

Refocus The National Science Foundation on Hard Sciences (Saves \$495 Million over 5 years)

The National Science Foundation (NSF) plans to spend \$198 million next year on Behavioral and Cognitive Sciences (BCS) and Social and Economic Sciences (SES). These programs are controversial because they are less related to NSF’s core mission than the hard sciences such as biology and engineering. At a time when our country is deeply rooted in debt, we should not be funding obscure scientific programs. For example, spending on programs that award and fund research such as a Study of the Archives of Andean Knotted-String Records and Social Relationships and Reproductive Strategies of Phayre’s Leaf Monkeys are absurd. We should cut BCS and SES programs

by 50%. This will save taxpayers \$99 million next year, \$495 million over five years, and force the Foundation to allocate federal money they are given to research that is necessary and relevant.

Refocus the National Park Service on Administering Federal Parks (Saves \$78.5 Million over 5 years)

The National Park Service's primary responsibility is to maintain 400 national parks. It also manages two programs, The National Heritage Area Grants and the Statutory Aid Programs. The Park Service describes these programs as "secondary to the primary mission of the National Park Service." The Administration recommended eliminating funding for statutory aid. Eliminating National Heritage Area Grant would save an additional \$15.7 million next year and \$78.5 million over five years. It is especially important for Federal programs to use their money to fulfill their core responsibilities and cut unnecessary programs.

Refocus Federal Land And Water Conservation Funding on Federal Projects (Saves \$150 Million over 5 years).

State and local governments currently receive grants to buy land and make improvements in their own parks; next year's budget allocates \$30 million for these grants. State and local government should be responsible to maintain their parks. Refocusing federal resources on federal parks would save taxpayers the \$30 million currently allocated for next year and \$150 million over five years.

Refocus National Archives Activities on Preserving Federal Records (Saves \$50 Million over 5 years)

The National Archives and Records Administration and the National Historical Publications and Records Commission manage Federal records. The Commission currently spends approximately \$10 million a year on grants to preserve and publish non-Federal records. Limiting the Commission to the preservation of Federal records would save \$10 million next year and \$50 million over five years. This limit simply mandates that federal funds for this program be spent only on *federal* projects, a common sense limitation.

Terminate HUD Program For Doctoral Dissertations (Saves 1.5 Million over 5 years)

The Department of Housing and Urban Development currently gives twelve \$25,000 grants to students completing their doctoral dissertation on issues related to housing and urban development. These grants can not be used for tuition, computer hardware, or meals, but on research tools such as travel expenses to collect data, transcription services, and compensation for interviews. Eliminating these academic grants would refocus the Department on its core mission and save taxpayers \$1.5 million over five years.

Terminate Funding for Unnecessary International Organizations (Saves \$417.5 Million over 5 years)

The United States cannot afford to frivolously support those commercial international organizations that provide little benefit to the taxpayers who are paying for this support. Ending financial support for these organizations can save \$417.5 million over five years.

First, we must terminate financial support for UNESCO. The U.S. did not support UNESCO during the 19 years prior to the Bush administration's 2003 decision to rejoin. Membership provides little benefit to taxpayers compared to the \$78.1 million annual cost. Second, we must terminate financial support for other international organizations with narrow commercial interests including International Copper Study Group and the International Cotton Advisory Committee. Terminating funding for these organizations would save \$1.4 million a year.

Terminate Funding for the National Drug Intelligence Center (Saves \$220 Million over 5 years)

The National Drug Intelligence Center (NDIC) needlessly duplicates the efforts of other agencies. Terminating NDIC saves taxpayers \$44 million next year and \$220 million over five years.

Terminate Funding for the State Justice Institute (Saves \$25.5 Million over 5 years)

The non-profit, State Justice Institute, was created by Congress to make grants for research on criminal justice matters. The institute is redundant because similar goals are carried out by the Department of Justice. Eliminating the Institute saves taxpayers \$25.5 million over five years.

Consolidate and Reduce Funding for Federal Advisory Committees (Saves \$170 million over 5 years)

There are several Federal Advisory Committees that are duplicates of other existing committees, draining taxpayers' dollars every year. For instance, the U.S. Geological Survey has two Advisory Committees with the same purpose. The Scientific Earth Studies Advisory Committee and the National Earthquake Prediction Council cost together \$200,000 a year. The Department of Commerce has a third committee- the Geological Survey costing an additional \$43,000. Three Advisory Committees committed to the same purpose is an unnecessary use of federal resources and the committees should be consolidated.

Advisory Committees cost \$342 million in 2008. Consolidating Advisory Committees with the same purpose to reduce funding by 10% saves taxpayers \$34 million next year and \$170 million over five years.

Suspend Federal Land Purchases (Saves \$990 Million over five years)

Federal Land purchases should be suspended for five years so the government can focus on maintaining existing property. The Administration is requesting \$198 million next year for the Departments of Interior and Agriculture to acquire new land. Tax dollars should be focused on maintaining and paying for current federal land instead of buying new land that we cannot afford. This saves \$990 million over the next five years.

Terminate Safe Routes to Schools Program (Saves \$915 Million over five years)

The Federal “Safe Routes to Schools Program,” started in 2005, finances infrastructure and non-infrastructure projects to assist children who walk or bike to school. This program fulfills what has traditionally been viewed as a local responsibility. Placing this task back in the hands of state and local officials would save \$183 million a year or \$915 million over five years.

Terminate New Federal Truck Parking Facilities Program That Competes with Private Truck Stops (Saves \$32 Million over 5 years)

In 2005, the Federal government created the Truck Parking Facilities program. Its purpose is to build long-term truck parking facilities to compete with private truck stop operators. Annually, taxpayers spend \$6.5 million on the program. Abolishing the program would save taxpayers \$32.5 million over five years.

Terminate Federal Transportation Funding For “Non-Motorized” Transportation Projects (Saves \$125 Million over 5 years)

Taxpayers are currently spending \$25 million on four “Non-motorized Transportation Pilot” programs designed to encourage residents to walk or bike instead of taking a car. Federal resources should be focused on transportation projects with legitimate federal connections. Terminating this program saves taxpayers \$125 million over five years.

Eliminate Federal Transportation Funding for Landscaping, Museums, And Other Transportation “Enhancements” (Saves \$4.1 billion over 5 years)

The Federal government spends most transportation fund on interstate highways and mass transit. However, \$833 million is allocated to “transportation enhancement” projects including establishment of transportation museums, historic preservation, and pedestrian and bike facilities. Putting these “enhancement” projects back in the hands of state and local governments by terminating federal funding saves taxpayers \$4.1 billion over five years.

Eliminate Unnecessary Federal Offices Such as The Treasurer Of The United States (Indeterminate)

The office of the Treasurer of the United States was created in 1777 to receive and maintain custody of voernmenet funds. Since then, the duties of the Treasurer have changed drastically. The offices of Financial Management Service and Bureau of Printing and Engraving assumed many of these responsibilities once held by the Treasurer. The Office of the Treasurer's main function is to act as consultant and spokesman with the Treasury Department. The office of the Treasurer has outlived its usefulness and should be eliminated.

Terminating Duplicative Education Programs (Saves \$2.2 Billion over 5 years)

The Department of Education currently runs hundreds of separate education programs, many of which duplicate one another. Eliminating the duplicated educational programs will allow for greater focus on Federal education initiatives and provide savings. President Obama has proposed terminating several duplicative programs in his budget, and we have proposed additional programs be cut to save taxpayers \$442 million in the first year and \$2.2 billion over five years.

Terminating Ineffective Federal Education Programs (Saves \$2.8 Billion over 5 years)

President Obama proposed eliminating funding for certain educational programs that do not demonstrate effectiveness. Using the President's recommendation and using objective program rating tools, we increase savings by terminating other programs that are unable to demonstrate sufficient achievement to justify the use of tax dollars. Eliminating these programs saves \$567 million in the first year and \$2.8 billion over five years.

Terminate Non-Federal Priorities And Single Recipient Programs (Saves \$771 Million over 5 years)

Eliminate educational programs currently paid for by the Federal government that would be more appropriately managed by state and local government saves taxpayers \$154 million in the first year and \$771 million over five years.

Terminate Funding For The Department of Defense Innovative Readiness Training Program (Saves \$100 Million over years)

The Innovative Readiness Training program uses military resources to support non-military projects including the building of rural roads, airplane runways, small building and warehouse construction. The use of military for non- military funds should be terminated and saves \$100 Million over 5 years.

REDUCING CORPORATE WELFARE

Terminate Funding That Promotes the Sale of Brand Name Food Products And Alcoholic Beverages (Saves \$71.5 Million over 5 years)

The Market Access Program (MAP), run by the Department of Agriculture, funds the promotion of U.S. agriculture products abroad. Promotional funding for Sunkist and Welch's, as well as alcoholic beverages are examples of MAP recipients. The Administration proposed reducing funding for MAP by 20%. However, eliminating funding for the promotion of brand-name products and alcoholic beverages entirely saves taxpayers an additional \$14.3 million next year and \$71.5 million over five years.

Eliminate Funding for Private Sector Technology Research (Saves \$349.5 Million over 5 years)

The Technology Innovation Program (TIP) works with private institutions and corporations to fund high-tech research and development that should be funded by the private sector, the businesses involved, or through private venture capital. Eliminating the program saves \$69.9 million next year and \$349.5 million over five years.

Eliminate Double Payments for Indirect Medical Education (Saves \$5.2 Billion over 5 years)

The government currently makes payments directly to teaching hospitals to help cover the costs of medical education (IME) when the hospital sees a Medicare enrollee. The current formula for Medicare Advantage also includes an allowance for IME, so the government is essentially paying twice to cover the same cost. The Congressional Budget Office estimates that eliminating the double payments for IME would save \$5.2 billion over five years.

REFORM FEDERAL PERSONNEL POLICIES TO REFLECT PRIVATE SECTOR PRACTICES

Update The Formula for Federal Pensions to Reflect Private Sector Practices (Saves \$1.2 Billion over 5 years)

Federal civilian employees' receive their initial pension benefits based on the average of highest earnings over three consecutive years. The private sector commonly bases these benefits on a five-year average. According to the Congressional Budget Office, moving to the five-year average would save \$1.2 billion over five years.

Eliminate Full-time Union Representatives from Federal Payroll (\$60 Million over 5 years)

Federal employees who are part of a union may, legally, be granted “official time” to perform representational duties for the union. Employees are paid by the government during the time they act on behalf of the union. In 2008, the Federal government spent \$120 million paying employees for their time spent working on union activities. Some employees are designated as 100 percent on official time so that the federal government pays the employee to spend all of their time on union activities. Eliminating 100 percent official time would save millions of dollars each year. Savings of 10% a year would save \$12 million next year and \$60 million over five years.

**Eliminate Retirement Payment for Federal Workers Who Retire Before Age 62
(Indeterminate, but potentially saves \$1.3 Billion over five years)**

The Federal Government should not provide its employees with retirement benefits superior to those found in the private sector. Currently, a federal employee who retires at age 55 with 30 years of service or at 60 with at least 20 years of service receives benefits to which a private sector employee would not have access until age 62. This encourages employees to retire early, at a financial cost to the taxpayer. Estimates indicate early retirement benefits cost taxpayers \$267 million a year.

OTHER COMMON SENSE REFORMS

Eliminate Wealthier Communities From the Community Development Block Grant Program (Saves \$1.7 Billion over 5 Years)

The Department of Housing and Urban Development’s Community Development Block Grant programs provide grants to “revitalize neighborhoods, economic development, and provide improved community facilities and services.” It is designed to help low-income communities but funds are currently distributed using a formula allowing high-income neighborhoods to participate in the program as well. Restricting funds to communities with per-capita incomes at 110 percent or less of the national average saves \$1.7 billion over five years. This would change the policies of the program to better suit its original purpose and save money by eliminating grants to communities who are not plagued by the issues the program was created to solve.

**Require Food Stamp Beneficiaries To Meet Food Stamp Eligibility Requirements
(Saves \$1.7 Billion over five years)**

Currently a state government may enroll participants of Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI) in the food stamp program. Categorical eligibility allows individuals not meeting food stamp assistance requirements to be automatically enrolled in the program. Restricting categorical eligibility to only those who receive cash TANF or SSI assistance ensures food stamps are only available to those who generally meet food stamp requirements. Saving taxpayers \$1.7 billion over five years.

Require States To Provide A Meaningful Energy Assistance Payment Before A Food Stamp Recipient Would Be Entitled To A Standard Utility Allowance (Indeterminate)

The Food and Nutrition Act allows food stamp participants to deduct from their income a standard utility allowance (set by the State) if receiving an energy assistance payment. Washington State, for example, sent all food stamp participants a \$1 energy assistance check to help participants receive more benefits. The check gives all participants the utility allowance, which is \$352-\$405 per month in Washington. USDA has found six States that are providing minimal energy assistance payments. Requiring States to provide a meaningful energy assistance payment, significantly greater than a \$1 check, before a food stamp recipient can deduct a standard utility allowance, would eliminate the ability of states to game the system and save taxpayers \$43 million in Washington State alone.

Require Federal Agencies to Purchase Lowest Cost Vehicles (Indeterminate)

The Department of Energy has a cost calculator that allows users to compare the costs of hybrid versus non-hybrid automobiles. Federal agencies should be required to purchase the lowest cost option when purchasing federal vehicles. Purchasing more expensive vehicles is a blatant waste of tax dollars.

DISPOSE OF EXCESS FEDERAL PROPERTY AND COLLECTING UNPAID DEBTS

Update Bureau of Land Management Land Sale Authority And Direct A Portion Of Proceeds To Deficit Reduction (Saves \$173 Million over 5 years)

The Bureau of Land Management (BLM) is currently authorized to sell certain designated public lands and use the proceeds to acquire other land. BLM's authority to sell land should be updated to reflect recent resource management plans, increasing the amount of land BLM is able to sell. In addition, 70% of proceeds up to \$60 million and 100 percent of proceeds beyond \$60 million would produce savings for the taxpayer. The Congressional Budget Office estimates these changes would save \$173 million over five years.

Streamline Sale of Excess Federal Property (Indeterminate)

In 2007, the Office of Management and Budget estimated that the federal government was holding \$18 billion in real property that it did not need. Administrative red tape is preventing this unneeded land from being sold. Easing these administrative regulations would help sell the unneeded properties, so we generate income for the treasury.

Improve Collection of Unpaid Federal Debts (Saves \$47 Million over 5 years)

The government has the ability to collect unpaid non-tax debt (i.e. SBA loans, OSHA penalties, etc.) by reducing tax refunds and other federal payments. Currently, a statute of

limitations prevents this offset process from being used to collect debt more than ten years old. The Office of Management and Budget estimates removing the statute of limitations, may save \$47 million over five years.

Collect Medicare Overpayments Through Cross Referencing of Suppliers (Indeterminate)

Medicare was owed \$400 million in 2006 from overpayments made to durable medical equipment providers that are classified as Currently Not Collectible (CNC). The owners/operators of these companies are often affiliated with other Medicare suppliers. Medicare should cross-reference those with unpaid to see if there are other entities billing the program with which the owners are affiliated. This might eliminate some of the CNC funds, providing savings.

LEGISLATIVE BRANCH SAVINGS

Terminate the House of Representative Wheels for Wellness Bike Sharing Program (Indeterminate)

The Chief Administrative Officer introduced a program that leases 30 bikes, at the taxpayer's expense, for free use by all House staff during the workday for purposes of exercise and running errands. In the year that the program has operated, the bikes have been checked out less than 300 times, totaling about \$73 per ride, as the full cost of leasing the bikes was \$22,000. The Wheels for Wellness Program should be terminated so that the savings can be used for deficit reduction.

Eliminate Duplicative Select Committee (Saves up to \$4.1 Million)

The Select Committee for Energy Independence and Global warming created by 111th Congress will receive \$4,167,500 and duplicates the work of the Energy & Commerce Committee. However, this new committee has no legislative authority. Terminating this program allows savings to be applied to the deficit reduction.

Eliminate Overpayments In The Contract For Restaurant Services For the House of Representatives (Saves \$5 Million over 5 years)

The taxpayers are currently paying about \$700,000 annually to subsidize payments to the House's food services contractor to provide biodegradable serving ware and utensils. However, the contractor was required to provide these in the original contract and therefore does not need extra payment to provide them. The contract should be renegotiated to remove this cost so that savings can be put toward the deficit.