

Amendment #893: To support President Obama in his effort to go "line by line" through the Federal Budget in order to help him eliminate wasteful, inefficient, and duplicative programs.

Background

During his campaign, the President pledged to go through the federal government's budget "line by line" in order to find wasteful or unnecessary programs to cut.

This promise, central to the President's campaign, highlights the recognition that the federal government is rife with massive amounts of waste, inefficiencies, and duplicative programs that are contributing to our nation's unsustainable deficit and debt levels.

Since taking office, President Obama has renewed his promise to go line by line through the budget. Fixing our untenable deficit and debt is essential in order to ensure the nation's long-term prosperity, and eliminating our wasteful and ineffective programs is the paramount first step in this process.

This amendment provides incentives for Congress to support the President in his efforts to go line by line through the federal budget to eliminate wasteful spending by--

- (1) Requiring the head of every Department and Agency to provide a report to Congress on programs that are duplicative, inefficient, or failing, with recommendations for elimination and consolidation of these programs.
- (2) Requiring the Office of Management and Budget (OMB) to provide a report to Congress on programs that are duplicative government-wide, with recommendations for elimination or consolidation of these programs.
- (3) Requiring every Congressional committee to conduct at least one oversight hearing per fiscal year to identify wasteful, inefficient, outdated, and duplicative programs that could be eliminated

This amendment provides the President with the Senate's support in this important endeavor to eliminate wasteful spending in order to help ensure our nation's long-term fiscal condition.

President Obama has pledged to root out wasteful and ineffective programs by reviewing the budget line by line

Throughout the historic presidential campaign of 2008, then Senators Barack Obama and Joe Biden pledged to go line by line of the budget in order to root out wasteful spending.

Dubbed the "Obama Plan," his campaign manifesto, candidate Obama promised to "conduct an exhaustive line-by-line review of the federal budget and seek to eliminate government programs that are not performing and demand that new initiatives be selected on the basis of their merits, not through a political process that rewards lobbyists and campaign donors."¹

After his election, President-elect Obama renewed this pledge during the transition, declaring:

"In these challenging times, when we are facing both rising deficits and a sinking economy, budget reform is not an option. It is an imperative. We cannot sustain a system that bleeds billions of taxpayer dollars on programs that have outlived their usefulness, or exist solely because of the power of a politicians, lobbyists, or interest groups. We simply cannot afford it. This isn't about big government or small government. It's about building a smarter government that focuses on what works. That is why I will ask my new team to think anew and act anew to meet our new challenges.... We will go through our federal budget – page by page, line by line – eliminating those programs we don't need, and insisting that those we do operate in a sensible cost-effective way."²

Finally, after becoming president, Obama solidified this mission in his budget blueprint, titled "A New Era of Responsibility," stating:

¹ <http://www.barackobama.com/pdf/ObamaBlueprintForChange.pdf>

² <http://www.clipsandcomment.com/2008/11/25/transcript-barack-obama-news-conference-the-economy-november-25-2008/>

“The President believes that we should be investing taxpayer dollars in efforts and programs with proven records of success and reallocating or cutting programs that do not work or whose benefits are not worth their cost. To this end, the Administration has begun an exhaustive line-by-line review of the Federal Budget, the first stage of which will be partially reflected in the spring release of the full FY 2010 Budget and will continue in subsequent years.”³

Given the enormity of this task, all parties involved, from Congress to the respective Departments and agencies, should lend a helping hand to President Obama as he conducts a much needed performance review of the federal government.

The United States is burdened with a \$11 trillion debt, the largest in world history

The task of eliminating wasteful and unnecessary spending becomes even more vital in lieu of the fact that Congress will consider a budget resolution this week that totals \$3.5 trillion in outlays, with only \$1.7 trillion in revenue, creating a budget deficit of \$1.8 trillion.

The President’s budget perpetuates these spending-to-revenue disparities over the next decade, and the Congressional Budget Office (CBO) consequently predicts it will produce \$9.3 trillion worth of debt over 2010-2019. This is \$2.3 trillion worse than the White House predicted in its budget.

Even more, CBO says the deficit under Obama's policies would never drop below 4 percent of the size of the economy, figures that economists agree are unsustainable.

This additional debt will be added to the current national debt, which stands at more than \$11 trillion, the largest in history. In 2008, taxpayers paid more than \$230 billion just to pay the interest on the national debt.

³ <http://www.washingtonpost.com/wp-srv/politics/budget2010/fy10-newera.pdf?hpid=topnews>

As our debt continues to pile up, so will our interest payments, which will eventually reach an unsustainable level. This is worrisome since over the next 75 years, entitlements will add \$41 trillion to the deficit.

China has concerns about United States debt

To compound our precarious fiscal situation, China, our primary debt holder, has called into question our ability to pay back the debt. China Premier Wen Jiabao, stated on March 13 that “We have lent a massive amount of capital to the United States, and of course we are concerned about the security of our assets. To speak truthfully, I do indeed have some worries. I would like, through you, to once again request America to maintain their creditworthiness, keep their promise and guarantee the safety of Chinese assets.”⁴

China's central bank weighed in later with criticism of America's "inappropriate" economic policies, including low savings and high consumption, and said the global crisis had its roots in what it called an unchecked issuance of dollars.⁵

China's holding of our debt has national security implications. As the Congressional Research Service has noted, “China's accumulation of hard currency assets will allow it to undertake activities in the foreign affairs and military realms that are not in the U.S. interest.” This provides China tremendous leverage over the United States in our diplomatic relations as it could, at any point, drop its holdings of our Treasury securities. The mere threat of this occurrence could destabilize our economy, significantly devalue our dollar further, and lead to skyrocketing interest rates.

⁴ http://money.cnn.com/2009/03/13/news/international/china_stimulus.reut/

⁵ http://money.cnn.com/2009/03/13/news/international/china_stimulus.reut/

The Administration and Congress must begin now to eliminate wasteful spending or insolvency will threaten the nation

Efforts must begin now in order to reign in federal spending.

The President's budget blueprint states:

“The President believes that we should be investing taxpayer dollars in efforts and programs with proven records of success and reallocating or cutting programs that do not work or whose benefits are not worth their cost. To this end, the Administration has claimed it has begun “an exhaustive line-by-line review of the Federal Budget, the first stage of which will be partially reflected in the spring release of the full FY 2010 Budget and will continue in subsequent years.”⁶

If the United States is to fix its fiscal course, we must first reform our spending habits.

The first step in this process is to eliminate all wasteful, inefficient, and duplicative programs or costs. Given the vital importance of this mission, every Department and agency, in coordination with OMB, should participate in this top-down exercise to maximize the impact of this endeavor.

Congressional oversight has found numerous programs that can be eliminated saving billions of dollars every year

In the meantime, there is an ample amount of programs that have been identified by Congress, OMB, and GAO as wasteful, inefficient, or duplicative that can be eliminated.

The Senate Federal Financial Management subcommittee has conducted numerous oversight reports on federal spending.

One report, titled “2008: Worst Waste of the Year,” chronicles numerous examples of wasteful spending and programs that could and should be eliminated. For example, in 2008, federal agencies dedicated scarce

⁶ <http://www.washingtonpost.com/wp-srv/politics/budget2010/fy10-newera.pdf?hpid=topnews>

dollars to the search for outer space aliens (\$9.4 million), a retractable shade canopy (\$2.4 million), training classes for casino workers (\$784,000), voice mail for the homeless (\$15,000), and a non-functioning gas station shaped like an airplane (\$9,000).⁷

In addition, the report outlined three programs rife with waste and abuse, and if eliminated, could save taxpayers over \$1 billion.

The National Park Service (NPS) Centennial Challenge

The National Park Service turns 100 years old in 2016 and the agency is throwing itself a birthday party in style, with the taxpayer picking up the tab. Congress authorized \$24.6 million for 2008 to spend on the Centennial Challenge, which is comprised of questionable projects. The Centennial Challenge is being used to fund a large number of low-priority projects:

- \$60,000 for Jefferson National Expansion Memorial in Missouri for “Parkpalooza,” an event featuring “rock climbing, lost worlds, music and dance and a photo contest.”
- \$75,000 for Zion National Park in Utah to celebrate its own centennial with an “artist-in-residence” program.
- \$40,000 to “create a virtual interactive map of Fredericksburg Battlefield” in Virginia.
- \$180,000 for Acadia National Park to combat childhood couch-potatoism with “Engaging Youth: No Child Left Inside Initiative.”⁸

Department of Justice “Weed and Seed” Program

The “Weed & Seed” is a U.S. Department of Justice (DOJ) sponsored initiative that aims to prevent, control, and reduce violent crime, drug abuse, and gang activity in neighborhoods across the country. The strategy

⁷ http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=4dd719bc-8177-4772-93a6-926146d420d7

⁸ http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=4dd719bc-8177-4772-93a6-926146d420d7

involves a two-pronged approach: Law enforcement agencies and prosecutors cooperate in “weeding out” criminals and community-based organizations collaborate to “seed” prevention, intervention, and treatment services as well as neighborhood restoration programs. In 2008, Congress appropriated \$32,100,000 for the program.

While Weed & Seed’s goals may be laudable, few studies are available to demonstrate the effectiveness of the program. A review of some recent Weed & Seed initiatives, in fact, reveals that federal funds have been spent on questionable activities that on the surface appear to have little to do with supporting law enforcement priorities or crime prevention.

- In October, the West Asheville District Weed & Seed Grant in North Carolina sponsored a “Shred-a-thon,” where locals were invited to bring up to one box load of outdated personal papers to be transformed into mulch for the Community Peace Garden.
- This summer in Youngstown, Ohio, the North Side Weed & Seed offered lawn mower maintenance sessions for up to ten youths from the North Side. With this program, Rick George, associate director of the Center for Human Service Development at Youngstown State University, hopes to give area youth the knowledge and tools to start cutting grass as a job and as a way to clean up their neighborhood. Etiquette classes to teach kids the appropriate way to act in certain situations were also provided.
- As part of the Weed & Seed project of Allentown, Pennsylvania, “government grant money has been provided to a hip-hop class to offer lessons to youth,” according to the *Baltimore Sun*. The program was started in 2006 and currently 30 youth meet regularly every week to practice their hip-hop dancing skills.⁹

Department of Transportation “Transportation Enhancement Grants” Program

⁹ http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=4dd719bc-8177-4772-93a6-926146d420d7

In 2008, more than \$800 million in taxpayer funds were spent on “transportation enhancement” (TE) projects, such as bike paths, pedestrian facilities, museums, scenic routes, historic preservation, and greenery for roadside beautification.¹⁹⁶ To pay for these frivolous projects, taxpayer dollars are siphoned from federal highway transportation dollars needed for critical infrastructure initiatives, such as road and bridge repairs.

According to the National Transportation Enhancements Clearinghouse, the entity tasked with tracking how enhancement funds are used, “Nationwide, over half (54 percent) of TE funds were spent on bicycle and pedestrian facilities, combined with rail-trails, between fiscal year 1992 and fiscal year 2003. Scenic beautification projects received 17 percent of available funds and historic preservation and preservation of historic transportation facilities together received the third largest share at 16.6 percent.”

Hundreds of transportation enhancement projects, from museums to bike trails, are funded across the country every year. For example:

- In West Lafayette, Indiana, more than \$800,000 in federal transportation enhancement funding was directed to fund a “1.1-mile section of new trail along the North River.” According to local press, the grant would be used to “turn what is a dirt path used by people waiting for a CityBus into a concrete trail.”
- Another \$800,000 grant for Jackson, Tennessee, was provided for the construction of a “railroad museum at the Old Country Store property off of the U.S. 45 Bypass.”
- The 1,699 residents of the town of Mercer, Wisconsin will soon enjoy \$631,008 worth of federally funded downtown streetscape improvements. The transportation enhancement grant will be used for “decorative street lighting, sidewalks, planters and street furniture.”

While some of these projects might be worthwhile to the people who will benefit from them, they are hardly national priorities. U.S. taxpayers could

save hundreds of millions of dollars per year by eliminating these programs from the federal budget.¹⁰

GAO keeps track of government programs at high risk for abuse and mismanagement

GAO's released a biennial report on high-risk areas, done since 1990, to bring focus to specific areas needing added attention. Areas are identified, in some cases, as high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement. GAO also identifies high-risk areas needing broad-based transformation to address major economy, efficiency, or effectiveness challenges. In 2009, GAO has designated 30 areas that are "high risk".

Of the 30 areas, 12 have been on the list for over a decade. This is simply inexcusable to taxpayers who should not have to perpetually fund failed programs.¹¹ Some examples include:

- DOD supply chain management;
- DOD weapons acquisition;
- NASA acquisition management; and
- Medicare.

OMB PART scores have determined ineffective programs to cut

Since 2004, OMB assessed the performance of every Federal program in order to hold Department and Agencies accountable for improvement.

This rating scale, called "the Program Assessment Rating Tool (PART)," indicates how well a program is performing so the public can see how

¹⁰ http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=4dd719bc-8177-4772-93a6-926146d420d7

¹¹ <http://www.gao.gov/new.items/d09271.pdf>

effectively tax dollars are being spent. After thorough analysis, the rating either determines a program is “performing” or is “not performing.”¹²

Of the 1,015 programs that were rated, 199 were determined “not performing,” as either they were ineffective or could not demonstrate results. The PART scoring system defines Ineffective programs as unable to achieve results due to a lack of clarity regarding the program's purpose or goals, poor management, or some other significant weakness. Some examples include:

- Department of Education “Even Start”;
- Department of Energy “Natural Gas Technology”;
- Department of Housing and Urban Development “Community Development Block Grant”; and
- Department of Transportation “Amtrak”.

Congress increases funding for many programs faster than agencies can even spend the money efficiently

Every year Congress appropriates more money than is needed for Departments and Agencies to carry out its mission, and consequently every year many Departments and agencies ends the year with billions of unspent dollars.

But instead of returning this unneeded and unspent money to the taxpayers, Departments and Agencies rolls it over year to year, essentially maintaining a dollar bank account that it can dip into for projects for which the money was not originally intended. OMB determined there is \$410 billion in government-wide unobligated balances for FY 2009.¹³

These unspent and uncommitted funds are known as “unobligated balances.” Unobligated balances are funds that have not yet been committed by contract or other legally binding action by the government. Unobligated balances of budget authority (appropriations, contract authority, authority to borrow, and spending authority from offsetting

¹² <http://www.whitehouse.gov/omb/expectmore/about.html>

¹³ <http://www.whitehouse.gov/omb/budget/fy2009/pdf/balances.pdf>

collections) may be carried forward from one year to the next only when authority to incur new obligations in a succeeding period is specifically provided in law.¹⁴

If a particular initiative or office does not need or spend as much as Congress has appropriated, then Congress should consider appropriating less for that particular office and the Department overall.

At the same time, Congress should devise a government-wide incentive system that rewards agencies that practice fiscal responsibility, including those that do not spend the full amount of their congressionally appropriated funds.

With the federal government operating with annual spending deficits exceeding \$1.8 trillion, however, Congress should not add to this debt by borrowing billions of dollars that are not needed.

The federal government must change its habits in order to sustain itself

It is essential that President Obama is successful in his pledge to bring change to Washington by changing Congress' irresponsible spending habits.

The Obama "Plan for Restoring Fiscal Discipline" includes conducting an exhaustive line by line review of federal spending and eliminating government programs that are not performing or are wasteful or obsolete, paying for new spending commitments by cutting other programs, slashing pork barrel spending, rooting out redundancy, requiring federal contracts over \$25,000 be competitively bid, measuring program performance and enforcing goals, and demanding that new initiatives be selected on the basis of their merits, not through a political process that rewards lobbyists and campaign donors.¹⁵

¹⁴ <http://www.whitehouse.gov/omb/budget/fy2009/pdf/balances.pdf>

¹⁵ http://www.barackobama.com/pdf/issues/fiscal/ObamaPolicy_Fiscal.pdf

In coordination between Congress, OMB, and the Agencies, implementing the following steps will bring light to President Obama's visions for reform reducing wasteful Washington spending:

1. **Eliminate programs that do not work.** Federal programs do not often disappear, but that does not mean they all work well. If a determination is made that a program is not achieving results, it should be consolidated or eliminated.
2. **Eliminate or consolidate duplicative existing programs.** Those that duplicate existing government programs and are no longer needed and should be eliminated.
3. **Eliminate earmarks.** Earmarks, otherwise known as "pork," are pet projects that members of Congress single-handedly direct, often to bring home money to their district. While that might seem like a good idea, or even a congressman's job, the earmark process is corrupt, wasteful and non-transparent. Tax dollars are routinely directed into questionable projects, which benefit lobbyists, special interest groups and the well-connected. They are not required to have a meritorious purpose or to demonstrate results, and should be eliminated.
4. **Implement stronger transparency measures.** Transparency in government should allow the taxpayer to know how every penny of federal money is spent to ensure accountability for all spending decisions.
5. **Conduct more congressional oversight.** Congressional oversight and hearings provide an opportunity to questions the actions of the government. Oversight should ensure money is spent wisely and in line with objective performance standards. Members of Congress should be held accountable for how tax dollars are spent, and they in turn should agencies accountable for how they spend tax dollars.
6. **End automatic budget increases.** Too often, Congress increases the budget of every government agency without regard to the previous year's performance. This practice must end with resources being directed only to those programs performing well and not to

those that fail, as well as to only those programs that are true national priorities.

- 7. Require performance metrics for all programs.** Many federal programs operate with objectives that are ill-defined or non-existent. Every program should be given performance metrics that are measureable and enforceable.

Clearly, given our short-term and long-term fiscal situation, the focus must be on following up on President Obama's pledge to cut wasteful spending in order to ensure the prosperity of our nation.

If these recommendations are followed, it will help to ensure that taxpayer dollars are spent more efficiently and effectively than it is today.

Adopting this sense of the Senate would go a long way in starting the bipartisan efforts for Congress to become an active participant in support of President Obama's essential mission of budget reform.

