COBURN UNEMPLOYMENT INSURANCE (UI) EXTENSION PAY FOR MOTION TO RECOMMIT SUMMARY AND BACKGROUND

TOTAL SAVINGS: $40 BILLION+

SEC. ___A. REDUCING UNNECESSARY PRINTING AND PUBLISHING COSTS OF GOVERNMENT DOCUMENTS.
$4.6 billion ten year savings

SEC. ___B. DISPOSING OF UNNEEDED AND UNUSED GOVERNMENT PROPERTY.
$15 billion in direct savings/revenue

SEC. __C. COLLECTION OF UNPAID TAXES FROM EMPLOYEES OF THE FEDERAL GOVERNMENT.
$3 billion in revenues

SEC. __D. ELIMINATING BONUSES FOR POOR PERFORMANCE BY GOVERNMENT CONTRACTORS.
$8 billion ten year savings

SEC. ___E. ELIMINATING NONESSENTIAL GOVERNMENT TRAVEL.
$10 billion ten year savings

SEC. ___F. DISCLOSING TRUE COST OF CONGRESSIONAL BORROWING AND SPENDING.
No savings

Section ___A — REDUCING UNNECESSARY PRINTING AND PUBLISHING COSTS OF GOVERNMENT DOCUMENTS AND PRINTING.

Federal employees spend $1.3 billion annually on office printing.

$440.4 million spent each year on “unnecessary” printing — more than $1 million per day.

While the amendment caps the government-wide printing costs, it specifically exempts printing costs related to national defense, homeland security, border security, national disasters, and other emergencies.

Taxpayers should not pay for unnecessary printing. If federal employees are spending $440 million a year in unnecessary printing, Congress should be able to cut out those wasted funds and save taxpayers over $1 million dollars a day.

This provision would result in a savings of approximately $4.6 billion over ten years.

Section ___A — REDUCING UNNECESSARY PRINTING AND PUBLISHING COSTS OF GOVERNMENT DOCUMENTS AND PRINTING.

This provision would prioritize federal spending by eliminating wasteful and unnecessary federal agency and federal employee printing expenses.

It is estimated that civilian federal employees spend $1.3 million on office printing each year. Of these funds, $440 million worth of printing is said to be "unnecessary."[1] That amounts to more than $1 million a day in unnecessary printing.

Taxpayers should not pay for unnecessary printing and thus this provision would cap non-defense federal employee printing at $860 million per year, a savings of $440 million per year.

This portion of the amendment would result in a savings of approximately $4.6 billion over ten years.

Federal Employees Spend $1.3 Billion Annually on Office Printing

According to one study, non-Department of Defense federal employees spend nearly $1.3 billion a year on office printing.[2] Of these printing costs, the study identifies $440.4 million a year — 34 percent — spent on unnecessary printing.[3] These figures do not include the funds agencies spend to publish various documents for public consumption, but rather encompass only the estimated annual printing expenditures for 2.6 million federal civilian employees' daily office printing.[4]

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[1] The calculations are based on 2,608,172 federal Civilian employees, 240 annual federal work days, and Lexmark's (the study's author) "experience and proprietary data concluding that the average price per printed page is $.067 in the federal government." "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

[2] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

[3] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

[4] Davidson, Joe, "The Federal Diary: Paper Wasters," May 13, 2009, *The Washington Post,* http://www.washingtonpost.com/wp-dyn/content/article/2009/05/12/AR2009051203563_2.html?sub=AR.

$440.4 Million Spent Each Year on "Unnecessary" Printing — More Than $1 Million per Day

Ninety-two percent of federal employees surveyed told researchers that they do not need all of the documents they print. A strong reliance on "paper trails" and a need to have signatures on paper documents were among the reasons federal employees hit print at a cost of $1.3 billion a year, according to one government-wide study.[5]

In fact, fifty-seven percent of those surveyed said their printing habits are affected by their need for signatures on paper documents and sixty-nine percent of federal employees believe their agencies "rely strongly on paper trails."[6]

Despite the digital age, agency employees will need to print some documents. Yet of the $1.3 billion spent on printing a year, it is estimated that $440 million worth is "unnecessary."[7] When federal employees are spending more than $1 million a day in unnecessary printing, change obviously is in order.

It Is Possible to Change Why Employees Hit "Print"

The research noted that few agencies had or enforced printing guidelines detailing when it was appropriate and inappropriate for employees to print documents. Eighty-nine percent of federal employees reported that their agencies do not have formal printing policies in place.[8]

The report was compiled by Lexmark, a Lexington, Kentucky-based maker of home and office printers. Lexmark worked with O'Keeffe & Co., an Alexandria, Virginia-based communications firm, to survey 380 government employees.

[5] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

[6] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

[7] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

[8] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

The report recommends agencies move to a system of electronic filing and digital signatures and away from a reliance on paper trails.[9] Sixty-nine percent of federal employees believe this change is doable noting that their agencies' documentation processes could realistically be converted from paper trails to digital trails. Another sixty-four percent of those surveyed acknowledge it would be possible for them to print less.

Another recommendation was the government-wide implementation of identification systems for tracking individual employee printing, an effort which could add a much-needed layer of accountability to office printing.[10] Some industry analysts believe that such a system would result in a decrease in printing costs that would more than pay for its start-up costs, even in the first year of implementation. A federal cost-benefit analysis of establishing such a system could help gauge the accuracy of these offsetting-cost estimates and provide the basis for future legislative or administrative actions.

This Provision Would Not Affect Printing Costs Related to National Defense, Homeland Security, Border Security, National Disasters, or Other Emergencies

While the amendment caps the government-wide printing costs, it specifically exempts printing costs related to national defense, homeland security, border security, national disasters, and other emergencies.

This Provision Would Add Accountability and Transparency, While Trimming Over $1 Million Dollars a Day from the Printing Queue

It is possible to ensure that needed documents may be printed while at the same time adding transparency and accountability to federal employee printing habits and costs. Taxpayers should not pay for unnecessary printing. If federal employees are spending $440 million a year in unnecessary printing, Congress should be able to cut out those wasted funds and save taxpayers over $1 million dollars a day.

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[9] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

[10] "2009 Government Printing Report – A Closer Look at Costs, Habits, Policies, and Opportunities for Savings," Lexmark, May 12, 2009, http://www.governmentprintingreport.com/.

Section ___B - Requires the federal government to sell off or demolish unused federal Real Property

This amendment would simply require the federal government to sell off or demolish unused federal Real Property.

The federal government has billions of dollars of under-utilized or not utilized Real Property

According to the Office of Management and Budget there are currently 46,745 under-utilized properties and 18,849 are not being utilized. That is a total of 65,594 properties with an estimated value $83 billion that should be sold, better managed or demolished. [11]

Excess property across the federal government is quietly costing the American taxpayer billions of dollars per year.

Holding unneeded property carries a hidden opportunity cost due to both the lost revenues that would be gained from selling the property and the avoidance of future maintenance costs. Over a long period of time, and with a large number of unneeded properties in its portfolio, the costs could likely add up to hundreds of millions, if not billions, of dollars wasted.

GAO reports that the Department of Energy, NASA, GSA, Department of Interior, and the VA reported repair and maintenance backlogs that total over $30.5 billion.[12]

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[11] OMB numbers sent to staff on February 4, 2009

[12] Government Accountability Office, Testimony before the House subcommittee on Economic Development, Public Buildings, and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives; July, 15, 2009 http://www.gao.gov/new.items/d09801t.pdf

The current process in place to get rid of excess federal property takes too long.

According to GSA, since 2005, the federal government has only been able to sell 1,300 properties for $2.8 billion.

At a 2006 FFM hearing, Senator Obama said that "Regardless of what sides of the aisle we sit on, we all agree we are in dire financial straits and we need to manage our assets in the most cost effective way possible to close the gap,"

He went on to say "A dollar wasted on a building not being used is a dollar that not going to someone who needs the help."

Section ___B - Requires the federal government to sell off or demolish unused federal Real Property

The Federal Real Property Council reports that the federal government owned or operated more than 1.1 million assets worldwide in 2007, worth an estimated total of $1.5 trillion.[13]

Poor property management of these assets has proven to be a significant and costly problem. The problem is so serious that the Government Accountability Office placed Federal Real Property Management on its High-Risk List in 2003 and it continues to be on the list today.

This amendment would simply require the federal government to sell off or demolish unused federal Real Property.

<u>The federal government has billions of dollars of under-utilized or not utilized Real Property</u>

According to the Office of Management and Budget there are currently 46,745 under-utilized properties and 18,849 are not being utilized. That is a total of 65,594 properties with an estimated value $83 billion that should be sold, better managed or demolished. [14]

Rather than disposing of properties once they are no longer useful, agencies often opt to hold onto them at the same time that they are adding new properties.

GAO reports the following example to highlight the extent of this problem: "Officials with Energy, DHS, and NASA—which are three of the largest real

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[13] http://www.gsa.gov/graphics/ogp/FRPP_FY07.pdf

[14] OMB numbers sent to staff on February 4, 2009

property-holding agencies—reported that over 10 percent of the facilities in their inventories were excess or underutilized."[15]

Excess property across the federal government is quietly costing the American taxpayer billions of dollars per year.

When an agency holds on to a property it no longer needs, that property cannot be used for other activities that can create jobs and increase local and national prosperity.

Every unneeded square foot of building space held by the federal government requires annual funding for operations and maintenance. This includes the cost of cleaning, heating, lighting, and landscaping a building, as well as any costs related to a mortgage or lease for the space.

GAO reports that the Department of Energy, NASA, GSA, Department of Interior, and the VA reported repair and maintenance backlogs that total over $30.5 billion.[16]

- DOE - $3.3 Billion
- NASA - $2.3 Billion
- GSA - $7 Billion
- Interior - $12 Billion
- VA - $5.9 Billion

Holding unneeded property carries a hidden opportunity cost due to both the lost revenues that would be gained from selling the property and the avoidance of future maintenance costs. Over a long period of time, and with a large number of unneeded properties in its portfolio, the costs could likely add up to hundreds of millions, if not billions, of dollars wasted.

[15] Government Accountability Office, Testimony before FFM, May 24, 2007, http://www.gao.gov/new.items/d07895t.pdf.

[16] Government Accountability Office, Testimony before the House subcommittee on Economic Development, Public Buildings, and Emergency Management, Committee on Transportation and Infrastructure, House of Representatives; July, 15, 2009 http://www.gao.gov/new.items/d09801t.pdf

Section ___C – Collect Unpaid Taxes from Federal Employees

- **While millions of Americans continue to send back portions of their hard earned wages to Washington, many federal employees are failing to contribute their share.**
- **In 2008, the Internal Revenue Service (IRS) found nearly 100,000 civilian federal employees were delinquent on their federal income taxes, owing a total of $962 million in unpaid federal income taxes.**
- **When considering retirees and military, more than 276,000 people owed $3 billion.**
- **This amendment simply requires the Internal Revenue Service (IRS) to collect any unpaid taxes from federal employees, which could generate $3 billion in savings.**
- **At the same time, the disparity in salaries between the federal workforce and private employment is appalling.**
- **Recent data show federal employees fare better than private-sector workers in almost every aspect, including pay, benefits, time off, and job security.**
- **Federal salaries have increased on average of 4% since 1999 while inflation has increased on average of 2.4%.**
- **Federal salaries increased 3% from 2008 to 2009, outpacing inflation by 1.6 percent.**
- **Most notably, in 2009 inflation was at -.04% while federal salaries increased 3% from 2008.**
- **Not only do federal workers get paid more and are not held accountable to pay their taxes, we are hiring more of them to pay**
- **Since 1999 federal employment has increased by 18 percent.**
- **There are now well over 2 million federal employees, and this number is only expected to continue increasing in 2010.**

Section__C – Collect Unpaid Taxes from Federal Employees

Our nation's economy is on the brink of fiscal collapse. Unemployment has reached all time highs, and the national debt is rapidly approaching $13 trillion.

While millions of Americans continue to send back portions of their hard earned wages to Washington, many federal employees are failing to contribute their share.

The Internal Revenue Code of 1986 allows the IRS to "garnish" the wages (pay or other income) of federal employees who are delinquent on their federal income taxes. A "garnishment" is the process by which the federal government collects a tax liability from the pay of an employee.

This amendment would save $3 billion by requiring the Internal Revenue Service (IRS) to collect any unpaid taxes from federal employees.

This amendment carefully reaches only federal workers who have willfully neglected to pay their incomes taxes and excludes federal employees from termination if there is a good faith effort on their part to pay up.

This commonsense measure will stem the flow of irresponsible taxpayer funded employees who fail to pay their income taxes.

Federal employees have a clear obligation, just as the rest of American citizens do, to pay their federal income taxes.

In 2008, the Internal Revenue Service (IRS) found nearly 100,000 civilian federal employees were delinquent on their federal income taxes, owing a total of $962 million in unpaid federal income taxes.[17]

When considering retirees and military, more than 276,000 people owed $3 billion.[18]

Consider the following examples:

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[17] Internal Revenue Service, Excel Spreadsheet, October 2008.
[18] Internal Revenue Service, Excel Spreadsheet, October 2008.

The U.S. Department of Agriculture (USDA) has a delinquency rate of 2.07 percent. USDA employs 2,166 who have been found delinquent on over $17 million of unpaid tax liabilities.

The Department of Veterans Affairs has a delinquency rate of 3.91 percent with over 10,000 employs owing more than $130 million.

The Department of Health and Human Services (HHS) has a delinquency rate of 3.86 percent and found that 2,924 of its employees owe a total of nearly $34 million.

The U.S. Senate employs 231 staffers who owe a total of nearly $2.5 million.

This is occurring on the backdrop of a significant disparity in salaries between the federal workforce and private employment.

Recent data show federal employees fare better than private-sector workers in almost every aspect, including pay, benefits, time off, and job security. [19]

A broad expansion of six-figure salaries has occurred throughout the federal government furthering the disparity between public and private wages.[20]

The number of federal employees who earn six-figure salaries ballooned during the recession.

From December 2007 to June 2009, the number of federal employees earning more than $100,000 increased 46 percent. The number of federal employees making more than $150,000 more than doubled. [21]

Federal salaries increased 3% from 2008 to 2009, outpacing inflation by 1.6 percent.[22]

Federal salaries have increased on average of 4% since 1999 while inflation has increased on average of 2.4%.[23]

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[19] http://reason.com/archives/2010/01/12/class-war/print
[20] http://www.usatoday.com/printedition/news/20091211/1afedpay11_st.art.htm?loc=interstitialskip
[21] http://www.usatoday.com/printedition/news/20091211/1afedpay11_st.art.htm?loc=interstitialskip
[22] OPM historical data compiled in conjunction with CRS
[23] Compiled with numbers from OPM in conjunction with CRS

Most notably, in 2009 inflation was at -.04% while federal salaries increased 3% from 2008.[24]

USA Today recently reported, "Paychecks from private business shrank to their smallest share of personal income in U.S. history during the first quarter of [2010]…At the same time, government-provided benefits from Social Security, unemployment insurance, food stamps and other programs rose to a record high in the first three months of 2010."

The article goes on to point out that this is an unsustainable trend as it is tax dollars from private salaries that fund the expansion in government services and spending.[25]

Considering that tax revenue is the means by which Congress can spend, it would behoove the federal government to ensure it collected what it was owed.

Not only do federal workers get paid more and are not held accountable to pay their taxes, we are hiring more of them to pay.

Since 1999 federal employment has increased by 18 percent.[26]

There are now well over 2 million federal employees, and this number is only expected to continue increasing in 2010.[27]

In 2008, the Bureau of Labor Statistics (BLS) reported a loss of 3.65 million jobs in the private sector while government jobs increased nearly 150,000 during the same time period.[28]

In 2009 BLS reported that as the private sector continued to shed jobs during the toughest months of the recession, public sector jobs increased.[29]

A recent Washington Times article projects that 2010 does not look much better. The number of civilian federal employees will increase by over 150,000 to a total of 1.43 million this year.[30]

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[24] Compiled with numbers from OPM in conjunction with CRS
[25] http://www.usatoday.com/money/economy/income/2010-05-24-income-shifts-from-private-sector_N.htm
[26] Compiled with numbers from OPM in conjunction with CRS
[27] http://www.washingtontimes.com/news/2010/feb/23/obamas-federal-jobs-program/
[28] http://www.cnsnews.com/public/content/article.aspx?RsrcID=44662
[29] http://www.cnsnews.com/public/content/article.aspx?RsrcID=44662
[30] http://www.washingtontimes.com/news/2010/feb/23/obamas-federal-jobs-program/

Some of the Feds' hiring increases have been stunning. When considering the four-year period from 2006 to 2010, the number of Homeland Security employees increased by 22 percent, the Justice Department has increased by 15 percent, and the Nuclear Regulatory Commission increased 25 percent. (These figures assume Congress adopts the President's FY 2010 budget without significant changes.)[31]

<u>Voting against this amendment is a clear indication that Congress is determined not to live by the same rules they write.</u>

The very nature of federal employment demands salaried workers pay their federal income taxes. Failure to do so is an affront to taxpayers.

Failing to file a tax return is also a misdemeanor. It can result in a prison sentence of one year and/or fines up to $25,000 for each year a return was not filed.

Failing to pay taxes is a big deal for private citizens. Why not hold federal employees to the same standard?

Federal workers are not immune from taxation as outlined in the Constitution and thus still subject to the same laws as private citizens.

The concept of "public service" seems to contradict the very idea of special treatment and exemptions.

While many federal employees are indeed public servants, it is important to remember public servant jobs are not in the interest of the public when they fail to contribute their share in turn.

It is in the best interest of taxpayers for Congress not to turn their heads at income tax delinquency.

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[31] http://www.cbsnews.com/8301-503983_162-5007862-503983.html

Section __D -- Eliminates the awarding of bonuses to government contractors for unsatisfactory performance.

The federal government awards billions of dollars of bonuses to federal contractors for projects that are over budget or have failed to meet basic performance requirements.

This section would prohibit bonuses from being paid to government contractors whose performance is not satisfactory performance or does not meet the basic requirements of the contract.

Federal agencies continue to pay bonuses to contractor for unsatisfactory work even after the Office of Management and Budget directed agencies to stop the practice.

This amendment would save at least $8 billion over the next decade by eliminating federal bonuses paid to poorly performing contractors.

This amendment would ensure:

1. **All new contracts using award fees and bonuses link such fees and bonuses to acquisition outcomes, which should be defined in terms of program cost, schedule, performance, and outcome;**

2. **No bonuses or awards are paid for contractor performance that is judged to be below satisfactory performance or performance that does not meet the basic requirements of the contract or significantly exceeds the original cost estimate; and**

3. **All funds set aside for bonuses and incentive fees that are not paid due to contractors' inability to meet performance criteria are returned to the Treasury.**

Section __D -- Eliminates the awarding of bonuses to government contractors for unsatisfactory performance.

The federal government awards billions of dollars of bonuses to federal contractors for projects that are over budget or have failed to meet basic performance requirements.

This section would prohibit bonuses from being paid to government contractors whose performance is not satisfactory performance or does not meet the basic requirements of the contract.

<u>The federal government awards billions of dollars of unwarranted bonuses to poorly performing contractors.</u>

There are numerous examples of unwarranted bonuses awarded by the federal government that have cost taxpayers billions of dollars over the past decade.

These include:

- The Department of Defense paid $8 billion in bonuses to contractors for weapons programs that had severe cost overruns, performance problems, and delays between 1999 and 2004.

- The U.S. Army paid “tens of millions of dollars in bonuses” to KBR Inc., even after it concluded the firm’s electrical work had put U.S. soldiers at risk. While the Army is investigating the situation, the Senate Democratic Policy Committee, the research arm of the Senate Democratic leadership, claims KBR is linked to at least two, and as many as five, electrocution deaths of U.S. soldiers and contractors in Iraq due to “shoddy work.”

- The Centers for Medicare and Medicaid Services pays more than $312 million per year in quality-of-care bonuses to nursing homes that provide below average care and have past violations of health-and-safety regulations.

- The Customs and Border Protection Agency improperly awarded a $475 million no-bid contract, which included an inappropriate financial bonus as part of the deal, to Chenega Technology Services in 2003. In response, then-Senator Hillary Rodham Clinton noted a “troubling pattern” of such bonuses at the Department of Homeland Security (DHS) and asked Inspector General Richard Skinner to investigate. “In too many cases, DHS appears to be awarding bonuses despite poor performance, or worse, without even evaluating work,” Clinton wrote, stating “Failing contractors should be rooted out, not rewarded.”

- The National Aeronautics and Space Administration (NASA) paid Boeing a bonus of $425.3 million for work on the space station that ran eight years late and cost more than twice what was expected. Boeing estimates that it will incur an additional $76 million in overruns by the time the contract is completed.

- NASA paid Raytheon a $103.2 million bonus for the Earth Observing System Data and Information System despite the project costing $430 million more and taking two years longer to complete than expected.

- Lockheed collected a $17 million bonus from NASA for the Landsat-7 satellite even though the project was delayed nine months even and the costs rose 20 percent to $409.6 million.

- The Department of Commerce selected Northrop Grumman in 2002 to build a $6.5 billion satellite system that would conduct both weather surveillance and military reconnaissance that was supposed to save the government $1.6 billion. The first launch was scheduled for 2008 but hasn’t happened, the project’s budget has doubled to $13.1 billion, and Northrop’s performance has been deemed unsatisfactory. Yet, from 2002 to 2005, the government awarded Northrop $123 million worth of bonuses.

- In 2007, Harris Corp. developed a handheld device to collect data for the 2010 Census that failed to work properly and was $198 million over budget. Despite this costly failure that could cause delays in preparing for the nationwide head count, the Department of Commerce’s Census Bureau awarded Harris $14.2 million in bonuses.

- In 2006, the Department of Treasury abandoned a $14.7 million computer project intended to help detect terrorist money laundering. The failed project was 65 percent over its original budget, but the vendor, Electronic Data Systems Corp., was awarded a $638,126 bonus.

- The repair and restart a Tennessee Valley Authority (TVA) nuclear reactor cost $90 million more than what the federal utility budgeted, but TVA paid the primary contractors on the project, Bechtel Power Corp. and Stone and Webster Construction Inc., an extra $42 million in bonuses and other fees last year.

<u>Federal agencies continue to pay bonuses to contractor for unsatisfactory work even after the Office of Management and Budget directed agencies to stop the practice.</u>

Government contractors continue to be given bonuses for unsatisfactory work even after the Office of Management and Budget (OMB) directed agencies to stop rewarding poor-performing contractors, according to the Government Accountability Office (GAO).

GAO identified examples of agencies awarding bonuses to poorly performing contractors across the government:

- The Homeland Security Department (DHS) continues to award vendors who perform poorly a second chance to earn 100 percent of their performance bonuses.

- The Energy Department (Energy) allows vendors to receive up to 84 percent of their performance awards, even if they do not meet expectations.

- A Health and Human Services (HHS) contract for call center services pays the contractor bonuses for its effort — such as fully staffing the center — instead of its performance, such as how quickly calls are answered.

The awarding of bonuses for shoddy work continues even after OMB issued guidelines in December 2007 requiring agencies to withhold such awards for poor performance and deny vendors second chances to earn bonuses withheld for poor performance.

Acquisition staffs at DHS, HHS and Energy told GAO they did not follow OMB's guidance because they were not aware of it.

<u>This amendment would save at least $8 billion over the next decade by eliminating federal bonuses paid to poorly performing contractors.</u>

This amendment would ensure:

4. All new contracts using award fees and bonuses link such fees and bonuses to acquisition outcomes, which should be defined in terms of program cost, schedule, performance, and outcome;

5. No bonuses or awards are paid for contractor performance that is judged to be below satisfactory performance or performance that does not meet the basic requirements of the contract or significantly exceeds the original cost estimate; and

6. All funds set aside for bonuses and incentive fees that are not paid due to contractors' inability to meet performance criteria are returned to the Treasury.

SEC. __E-- ELIMINATING NON-ESSENTIAL GOVERNMENT TRAVEL

The federal government spent $13.8 billion a year on travel in 2008, including an average of over $4 billion on non-Department of Defense, non-homeland security travel, according to data from the Office of Management and Budget.[i] In 2007, federal spending on travel was a billion dollars higher at $14.8 billion.

This provision would help prioritize federal spending by eliminating wasteful and unnecessary federal travel expenses and by setting an annual, $4 billion cap on non-national defense, non-homeland security, non-border security, non-national disasters, and other non-emergency travel costs.

The provision would also instruct the Director of the Office of Management and Budget (OMB) to establish a definition of and criteria for determining what qualifies as "non-essential travel." After adoption of the amendment, any expenses related to travel deemed "non-essential" shall *not* be paid for with federal taxpayer funds

Agencies should have high fiscal standards with regard to their travel expenditures and taxpayers should not be asked to pay for non-essential travel. By capping the non-defense, non-homeland security travel costs, taxpayers will realize a savings of over $500 million over ten years and ensure that agency travel spending does not grow even further beyond the government's means.

FEDERAL GOVERNMENT-WIDE TRAVEL EXPENDITURES

Year	*Airfare*	*Hotel Rooms*	*Car Rentals*
2006	$ 3.3 billion	$2.3 billion	$423 million
2007	$3.5 billion	$2.5 billion	$411 million
2008	$4 billion	$1.9 billion	$437 million

- **DOD and DHS Have Highest Agency Travel Expenditures, with VA and DOJ Ranking Third and Fourth Highest Across All Agencies for Travel Costs**

- **President Obama Highlights Conference Travel Reform as a Way to Cut Back on Government Spending**

- **Conference Travel Costs Could Be Cut Back, As Examples from USDA, CDC, and DOJ Demonstrate**

- **USDA Employees Went to Vegas and Hawaii and to Vegas and Hawaii Again**

- **CDC Conference Expenditures Equaled $45 Million Over Six Years**

- **How Travel Costs May Actually Cost Lives: Funds for Three International Trips to Talk *About* HIV Could Have Spared 150,000 Infants *from* HIV**

- **DOJ Spent $465 Million on Travel in 2007**

- **DOJ's $312 Million, Seven-Year Conference Expenditures Included $4 Meatballs, Congressional Training Sessions in Hawaii, and a Gang Prevention Event at a Palm Springs, Waldorf-Astoria Resort**

- **DOJ's Expenditures on Conference Travel Could Have Been Used to Hire Hundreds of Prosecutors to Investigate Federal Crimes**

- **The Travel Expenditure Cap Would Not Affect Travel Costs Related to National Defense, Homeland Security, Border Security, National Disasters, or Other Emergencies**

- **This Provision Would Add Accountability and Transparency to the Jet-Setting Federal Agencies**

SEC. __E --ELIMINATING NON-ESSENTIAL GOVERNMENT TRAVEL

The federal government spent $14.1 billion in 2006, $14.8 billion in 2007 and $13.8 billion a year in 2008 just on travel, including an annual average of over $5 billion on non-Department of Defense travel, according to data from the Office of Management and Budget.[1]

This provision would help prioritize federal spending by eliminating wasteful and unnecessary federal travel expenses and by setting an annual, $5 billion cap on non-national defense, non-homeland security, non-border security, non-national disasters, and other non-emergency travel costs.

The provision would also instruct the Director of the Office of Management and Budget (OMB) to establish a definition of and criteria for determining what qualifies as "non-essential travel." After adoption of the amendment, any expenses related to travel deemed "non-essential" shall not be paid for with federal taxpayer funds

Agencies should have high fiscal standards with regard to their travel expenditures and taxpayers should not be asked to pay for non-essential travel. By capping the non-defense, non-homeland security travel costs, taxpayers will realize billions of dollars in a savings over ten years and ensure that agency travel spending does not grow even further beyond the government's means.

DOD and DHS Have Highest Agency Travel Expenditures, with VA and DOJ Ranking Third and Fourth Highest Across All Agencies for Travel Costs

According to OMB figures, the Department of Defense (DOD) spent $9.1 billion on airfare, hotels, rental cars and meals in 2008, a figure that was expected to rise by $200 million in 2009.[32] The Department of Homeland Security (DHS) spent $1.3 billion on travel expenses. The Department of Veterans Affairs (VA) had the third highest travel costs, spending $596 million on travel in 2008, while the Department of Justice (DOJ) had the fourth largest travel budget in 2008, spending $406 million.[33]

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[32] Rosenberg, Alyssa, "Agencies cut back on travel," *Government Executive,* September 3, 2009, http://www.govexec.com/story_page.cfm?articleid=43529&sid=3.

[33] Rosenberg, Alyssa, "Agencies cut back on travel," *Government Executive,* September 3, 2009, http://www.govexec.com/story_page.cfm?articleid=43529&sid=3.

In 2008, the General Services Administration reported that agencies spent nearly $4 billion on flights, $1.9 billion on hotel rooms, and $437 million on car rentals.[34]

In 2007, the General Services Administration reported that agencies spent $3.5 billion on flights, $2.5 billion on hotel rooms, and $411 million on car rentals.[35]

FEDERAL GOVERNMENT-WIDE TRAVEL EXPENDITURES

Year	*Airfare*	*Hotel Rooms*	*Car Rentals*
2006	$ 3.3 billion	$2.3 billion	$423 million
2007	$3.5 billion	$2.5 billion	$411 million
2008	$4 billion	$1.9 billion	$437 million

Reports indicate that "spending on hotels and cash outlays for travel declined" from 2007 to 2008, and that "smaller alternative airlines and car rental companies saw spikes in business while spending on some more expensive vendors declined."[36] Rising airline ticket prices also contributed to the increase in airfare expenditures from 2007-2008.[37]

President Obama Highlights Conference Travel Reform as a Way to Cut Back on Government Spending

[34] Rosenberg, Alyssa, "Agencies cut back on travel," *Government Executive,* September 3, 2009, http://www.govexec.com/story_page.cfm?articleid=43529&sid=3.
[35] "Defense continues to lead the pack in federal travel spending," *Government Executive*, August 15, 2008, http://www.govexec.com/story_page.cfm?articleid=40760&dcn=todaysnews. Chart compiled using August 15, 2008 and September 3, 2009 *Government Executive* articles.
[36] Rosenberg, Alyssa, "Agencies cut back on travel," *Government Executive,* September 3, 2009, http://www.govexec.com/story_page.cfm?articleid=43529&sid=3.
[37] Rosenberg, Alyssa, "Agencies cut back on travel," *Government Executive,* September 3, 2009, http://www.govexec.com/story_page.cfm?articleid=43529&sid=3.

In his request to his Cabinet Secretaries that they cut $100 million in their administrative budgets, President Obama highlighted the actions of one agency as an example of how travel reform could save money. The President said:

> "Just a couple of examples: Veterans Affairs has cancelled or delayed 26 conferences, saving nearly $17.8 million, and they're using less expensive alternatives like videoconferencing."[38]

Conference Travel Costs Could Be Cut Back, As Examples from USDA, CDC, and DOJ Demonstrate

As President Obama noted, one example of potential savings in federal travel costs would be a reprioritization and re-examination of federal conference attendance.

USDA Employees Went to Vegas and Hawaii and to Vegas and Hawaii Again

The United States Department of Agriculture (USDA) has approximately 112,000 employees and in 2006 the agency sent 20,959 employees to as many as 6,719 conferences and training activities across the nation and around the world.[39] The agency saw a 191 percent increase in conference spending since the year 2000.

Some of these expenditures included sending employees to Las Vegas for "7 Habits of Highly Effective People" conferences, to resorts in Australia for conferences on mushrooms and crawdads, and to Disney resorts to discuss competitive intelligence.

In 2006, one entity within USDA, the Animal and Plant Health Inspection Service (APHIS) sent 47 people (44 of whom were employees) to 10

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[38] Lee, Jesse, "$100 million there, $100 million here," *The White House Blog*, April 20, 2009, http://www.whitehouse.gov/blog/2009/04/20/100-million-there-100-million-here.

[39] "**For the Farmers or for Fun: USDA Spends Over $90 Million in conference Costs:** The first in a multi-part review of how federal agencies have spent billions of dollars on conferences over the last six years," Oversight Report by the Office of Senator Tom Coburn, M.D., Ranking Member, Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security, May 2008, http://coburn.senate.gov/public/_files/USDAConferenceTravelReport0.pdf. Information is based on USDA's February 5, 2007 response to Ranking Member Senator Tom Coburn regarding "FY2006 Conference and Training Activity," pages 1 through 254.

conferences in Hawaii at a cost of $71,412. The conferences took place on the Islands of Maui, Oahu, Honolulu, and Molokai.

One Hawaii conference was a “Congressional” seminar to educate attendees on the U.S. Congress, though the event location — the Hilton Hawaiian Village Beach Resort and Spa— is 4,500 miles from Congress. The USDA spent $13,475 to send six USDA employees to this “Congressional Seminar” conference in Hawaii. [40]

According to data submitted to a U.S. Senate oversight subcommittee, in just 2006 alone:

- 213 USDA employees attended approximately 94 separate conferences in Las Vegas at a cost of $254,755;
- 64 USDA employees (and 3 non-employees on USDA’s dime) traveled to Hawaii to attend approximately 28 separate conferences for a total cost of $130,600;
- 713 USDA employees attended 235 Sacramento conferences, at a cost of $560,000;
- 144 USDA employees attended 38 San Francisco conferences, at a cost of $144,000;
- 270 USDA employees went to approximately 59 separate conferences in Orlando, Florida — home to Disney World — at a cost of $282,656;
- 112 employees went to 34 conferences in Anchorage, Alaska at a cost of $227,000;
- 247 employees went to approximately 89 conferences in Phoenix, Arizona at a cost of $321,000; and
- 141 employees went to approximately 46 conferences in Tucson, Arizona at a cost of $132,700.[41]

CDC Conference Expenditures Equaled $45 Million Over Six Years

In response to congressional inquiry, HHS reported that from FY2000 through FY2005, the CDC spent a total of $44.7 million on conferences,

[40] USDA response to Chairman Coburn’s follow-up questions, December 4, 2006.
[41] USDA’s February 5, 2007 response to Ranking Member Senator Tom Coburn regarding “FY2006 Conference and Training Activity,” pages 1 through 254

which includes its HIV/AIDS conference costs.[42] CDC has spent millions on conferences, sending more than 500 CDC employees to international HIV/AIDS conferences, including 157 employees to Vancouver, 90 to Barcelona and 20 to Thailand (down from the 48 originally scheduled to attend).

Recent HIV/AIDS conferences supported by and attended by the CDC, its employees, and its grantees have been described as "boisterous political circuses" for the AIDS industry, and those in it that make a living off HIV and AIDS.[43] Some examples of CDC attended and funded conferences include:

- A 2002 Barcelona conference that cost U.S. taxpayers $3.6 million (in HHS costs alone, not including expenditures by USAID and the State Department), where the U.S. Secretary of HHS was shouted down by protestors during his speech. Also in the audience were 236 HHS attendees, including 90 CDC attendees, though the Vatican, which through its Catholic facilities runs 26 percent of all AIDS treatment centers in the world and treats one-in-every-four AIDS patients, was not invited to attend.[44]

- A 2004 Thailand conference attended by 17,000 delegates included more than 130 U.S. federal employees, 20 of whom were CDC employees (not including employees stationed in Asia).[45] The event also featured Brazilian dresses made of condoms, a drag show, art shows, and fashion parades.

- A 2006 Toronto conference, attended by 26,000 people, including 78 HHS employees (of whom many were CDC employees), which cost

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[42] "CDC OFF CENTER: A review of how an agency tasked with fighting and preventing disease has spent hundreds of millions of tax dollars for failed prevention efforts, international junkets, and lavish facilities, but cannot demonstrate it is controlling disease," Oversight Report by The United States Senate Subcommittee on Federal Financial Management, Government Information and International Security Minority Office, Under the Direction of Senator Tom Coburn Ranking Minority Member, June 2007, http://coburn.senate.gov/public/_files/CDCOffCenter1000.pdf. October 4, 2005 letter from HHS to Senator Coburn, signed by Assistant Secretary Charles Johnson, CDC "Conference Support Expenditures/Projections by OPDIV/STAFFDIV," FY2000: $8,558,352; FY01: $6,982,795; FY02: $7,642,681; FY03: $6,926,825; FY04: $7,056,486; FY05 Projections: $7,577,478; for a total of $44,744,647 (Note: CDC Off Center includes later conferences not reflected in these totals).
[43] "A Political Circus Is Part of the AIDS Meeting," op-ed, *The New York Times*, July 20, 2004.
[44] "AIDS Conference Excludes Vatican," *ZENIT News Agency*, July 11, 2002, www.zenit.org.
[45] "Scientists rip US for cutbacks to global AIDS summit," *NATURE MEDICINE,* July 2004.

U.S. taxpayers $315,000.[46] The conference included presentations from researchers who said countries must recognize prostitution as "legitimate legal work."[47] One convention center exhibit featured three prostitutes lying on a satin-covered bed, which was designed to "look like a typical workplace."[48] One prostitute from Thailand was described as "standing amid pillows and sex toys in the [conference's Stiletto] Lounge. To cheers from a crowd of around 200 people, she demanded health insurance, paid vacation and job security."[49] The conference also featured a workshop on finding a woman's erotic zone, one on how to apply condoms through "sex stunts," and a display of explicit artwork, all of which were described as "hugely popular" at the 16th International AIDS Conference.[50]

- A fall 2006 conference in Hollywood, Florida, drew 3,500 people, of whom 92 were federal employees, including 67 from the CDC. The HIV/AIDS prevention conference cost U.S. taxpayers over $410,000 and, among other things, included a session on lobbying, a Latin Fiesta featuring a "sizzling fashion show," and a beach party that included a 15-foot-high sand sculpture of the CDC-funded sponsor's logo.[51] The executive director of the conference's sponsor, NMAC (a group that in 2004 received $3.9 million in government funds and spent $1.4 million on conferences and $1 million on consultants), questioned the government's commitment to HIV/AIDS funding.[52]

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[46] May 16, 2006 letter to Rep. Scott Garrett (R-NJ) from HHS, signed by William Steiger, Special Assistant for the Secretary of International Affairs.
[47] "Legalizing sex trade key to cutting HIV, activists tell AIDS conference," *The Canadian Press*, August 17, 2006.
[48] "Legalizing sex trade key to cutting HIV, activists tell AIDS conference," *The Canadian Press*, August 17, 2006.; "Sex workers march for rights at AIDS conference," *Reuters Health*, August 16, 2006; "Sex workers are part of the solution" workshop, http://www.aids2006.org/PAG/PSession.aspx?s=961, accessed January 2007.
[49] "Sex workers march for rights at AIDS conference," *Reuters Health*, August 16, 2006.
[50] "Sex sells AIDS prevention message at conference," *Agence France Presse*, August 15, 2006; "**Where is the Pleasure in Safer Sex?" workshop,** http://www.aids2006.org/PAG/PSession.aspx?s=815, accessed January 2007.
[51] "US Conference on AIDS," Housing Works AIDS Issues Update, September 29, 2006, http://www.hwadvocacy.com/update/archives/2006/09/us_conference_o.html, accessed October 2006; October 2006 HHS response to an inquiry from Senator Tom Coburn's office reporting that: 5 employees from HRSA, 14 employees from SAMHSA, 67 employees from the CDC, 5 employees from NIH, and one NIH contractor were scheduled to attend and that HRSA spent $5,827 and CDC spent $405,000 on the conference; NMAC website, http://www.nmac.org/conferences___trainings/usca/agenda/3893.cfm, accessed October 2006; and e-mailed reports from attendees sent to Senator Tom Coburn's office.
[52] 2004 National Minority AIDS Council IRS form 990, http://www.guidestar.org/FinDocuments/2004/521/578/2004-521578289-021e9463-9.pdf, Note: the form does not distinguish between federal, state, or local government funding; "AIDS activists urge more funds for treatment," *South Florida Sun-Sentinel*, September 23, 2006.

How Travel Costs May Actually Cost Lives: Funds for Three International Trips to Talk *About* HIV Could Have Spared 150,000 Infants *from* HIV

If the funds CDC spent to register 20 employees for a Thailand conference and to send 90 employees to a Barcelona conference to talk about HIV/AIDS, had instead been used to buy and administer Nevirapine (a retroviral drug that costs less than $4 a dose and has proven to prevent HIV transmission from mother to child with the administration of just two doses), more than 115,000 infants around the world could have been spared from HIV infection.

This does not count the more than 40,000 infants that could have avoided HIV infection if HHS had not sent 78 employees (including an undetermined number of CDC employees) to Toronto to talk about HIV/AIDS at a cost to the federal taxpayers of over $300,000. For the cost of these three international conferences alone, more than 150,000 newborns could have been treated with Nevirapine and prevented from contracting HIV.

UNAIDS estimates that 1,800 children worldwide become infected with HIV each day, the vast majority of whom are newborns.[53] UNAIDS estimates that in 2005, just less than eight percent of pregnant women in low- and middle-income countries had access to services that could prevent the transmission of HIV to their babies.[54]

DOJ Spent $465 Million on Travel in 2007

According to news reports, the Justice Department (DOJ) spent $18 million more on travel costs in 2007 than in 2006, spending $465 million in 2007, up from $447 million the year before.[55] While these costs are not exclusive to conference travel, such travel likely contributed to the increased costs, if historical conference spending trends continued. This spending increase placed the Justice Department third overall among government agencies

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[53] "2006 Report on the Global AIDS Epidemic," UNAIDS, http://www.unaids.org/en/HIV_data/2006GlobalReport/default.asp, **accessed November 2006**.
[54] Ibid.
[55] "Defense continues to lead the pack in federal travel spending," *Government Executive*, August 15, 2008, http://www.govexec.com/story_page.cfm?articleid=40760&dcn=todaysnews.

for the highest travel spending costs, behind only the Department of Defense and the Department of Homeland Security.[56]

DOJ's $312 Million, Seven-Year Conference Expenditures Included $4 Meatballs, Congressional Training Sessions in Hawaii, and a Gang Prevention Event at a Palm Springs, Waldorf-Astoria Resort

The Department of Justice spent at least $312 million over seven years on conference attendance and sponsorship. In 2006, the agency sent 26,000 employees (one fourth of its total workforce) to conferences and spent $46 million in the process.[57]

One questionable DOJ expenditure was the Bureau of Prisons (BOP) spending $33,500 to send 15 employees to a 2006 "Congress Seminar" in Honolulu, Hawaii.[58]

While the Bureau of Prisons does have a federal prison facility on that particular Hawaiian island, the accommodations at the conference's Hilton Hawaiian Village Beach Resort and Spa likely bore little resemblance to the federal jail cells nearby.[59] At least five employees of other DOJ agencies, including one from the "library staff," joined the BOP event goers at this Honolulu conference for an additional taxpayer cost of over $11,000.[60] Though the event's organizers billed it, in part, as a congressional seminar, the Hilton Hawaiian Honolulu is over 4,500 miles from the U.S. Congress.

Twenty-eight employees from four different DOJ offices spent over $42,000 to attend a women's conference with a group that works by "influencing

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[56] "Defense continues to lead the pack in federal travel spending," *Government Executive*, August 15, 2008; "Federal travel tab tops $14B," *The Federal Times*, September 1, 2008.

[57] DOJ November 15, 2006, follow-up to questions for the record by Senator Coburn from the Senate Subcommittee on Federal Financial Management 2006-2007, pdf page 11, http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=5562f9b6-d8eb-407b-be65-c935837be711. DOJ FY 2006 Resource Information, 205,505 DOJ employees as of September 30, 2006, http://www.usdoj.gov/ag/annualreports/pr2006/P1/p05.pdf.

[58] DOJ November 15, 2006, follow-up to questions for the record by Senator Coburn, line 427, http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=5562f9b6-d8eb-407b-be65-c935837be711; Federal Asian Pacific American Council (FAPAC) 2006 conference information, http://www.fapac.org/htdocs/conference/2006/index.php, accessed November 2007.

[59] Federal Asian Pacific American Council (FAPAC) 2006 conference information, http://www.fapac.org/htdocs/conference/2006/index.php, accessed November 2007.

[60] DOJ November 15, 2006, follow-up to questions for the record by Senator Coburn, lines 895, 1225, 1241, 1484, 1503, http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=5562f9b6-d8eb-407b-be65-c935837be711; "Library staff" was an additional notation in the non-electronic version submitted to Senate investigators, line 1519, page 43.

Congressional and Administration actions."[61] It is not clear why Administration employees needed to attend a conference on the taxpayers' dime to learn how to influence themselves.

It is similarly unclear how a luxury resort ended up as the preferred location to discuss gangs. When the average American thinks about a conference on gang resistance, the Waldorf-Astoria Resort in Palm Springs is probably not the first locale that comes to mind. But, that was the location chosen for a 2006 DOJ-sponsored Gang Resistance Education and Training Program conference, which cost taxpayers at least $278,000. In addition to those direct costs, DOJ grantees were notified that federal gang resistance funds could be used for travel, lodging and meals.[62]

DOJ's Expenditures on Conference Travel Could Have Been Used to Hire Hundreds of Prosecutors to Investigate Federal Crimes

If DOJ had chosen to hire attorneys, instead of paying $46 million for conference travel in 2006, up to an additional 416 lawyers could have been helping to investigate and prosecute federal crimes. If DOJ took its seven-year, $312 million conference budget and instead hired attorneys, the nation could have been represented by an additional 2,827 lawyers who could have been hired for one year, or 403 attorneys who could have been hired to serve the full seven years.[63]

Yet, instead of hiring more lawyers to prosecute federal crimes, taxpayers paid for airfare, hotel rooms, and food for DOJ employees to attend

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[61] Federally Employed Women's website, http://www.few.org/history.asp; DOJ November 15, 2006, follow-up to questions for the record by Senator Coburn, http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=5562f9b6-d8eb-407b-be65-c935837be711.

[62] G.R.E.A.T. Conference website, notice to grantees, http://conference.great-online.org/ConferenceOverview.aspx.

[63] "Experienced Attorney, 2007 Annual GS Salary Range for Washington, D.C. Area," U.S. DOJ webpage on Salaries, Promotion, and Benefits, http://www.usdoj.gov/oarm/arm/hp/hpsalary.htm, accessed August 2008. Calculations based on published DOJ figures which show "experienced attorneys" in the D.C. area with at least four years of experience would earn between $110,363 and $143,471 annually. Using the lower end of this pay scale, $46 million would pay the salaries of 416 attorneys, or 320 could be hired at the higher end of the pay scale. Similarly, using the seven-year conference spending total of $312 million, 2,827 attorneys with four years or more of experience could have been hired for $100,363 or 2,174 attorneys at the higher end of the pay scale. The D.C.-area salaries used in these calculations represent a higher salary level due to a locality pay calculation which takes cost of living into consideration. DOJ could have hired even more experienced attorneys if they were to work in areas outside of D.C.

conferences — 2,199 of them in 2006 alone.[64] While some of the DOJ-attended conferences were likely necessary and legitimate expenditures, others might not pass a taxpayer-accountability test.

The Travel Expenditure Cap Would Not Affect Travel Costs Related to National Defense, Homeland Security, Border Security, National Disasters, or Other Emergencies

While this amendment caps government-wide travel costs at $5 billion a year, it specifically exempts travel costs related to national defense, homeland security, border security, national disasters, and other emergencies.

This Provision Would Add Accountability and Transparency to the Jet-Setting Federal Agencies

It is possible to allow agency employees to travel for essential purposes while at the same time adding transparency and accountability to their travel costs and plans. Taxpayers should not have to pay for unnecessary and non-essential agency travel.

[64] DOJ November 15, 2006, follow-up to questions for the record by Senator Coburn from the Senate Subcommittee on Federal Financial Management 2006-2007, pdf page 11, http://coburn.senate.gov/ffm/index.cfm?FuseAction=Files.View&FileStore_id=5562f9b6-d8eb-407b-be65-c935837be711.

Section ___F — Requires public disclosure of the amount of new borrowing and spending approved by the Senate on its website.

President Obama signed the Statutory Pay-As-You-Go Act (PAYGO) into law in February requiring Congress to pay for new spending by cutting lower priority spending to offset the new costs.

In the weeks following its enactment, the Senate has repeatedly ignored the spirit of PAYGO by voting to borrow over $200 billion to finance the cost of new government spending.

In total, if the Senate passes the (UI) extension being considered this week the Senate will have voted to increase the deficit by $266 billion since PAYGO's enactment in February.

This section would expose the PAYGO gimmicks that have allowed Congress to continue borrowing to pay for new spending by bringing more transparency and accountability to the Senate's spending practices. It would do so by requiring the Secretary of the Senate to post on the official Senate website:

The total amount of spending, both discretionary and mandatory, passed by the Senate that has not been paid for;

The total amount of spending authorized in legislation passed by the Senate, as scored by the Congressional Budget Office (CBO); and

The number of new government programs created in legislation passed by the Senate.

The Senate approved this exact same language by a vote of 100-0 on March 9, 2010 as an amendment to H.R. 4213, the tax extenders bill. However, closed door negotiations led to the transparency provision being removed from the tax extenders bill the Senate is considering now.

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<u>Since PAYGO Became Law in February Requiring All New Spending to Be Paid For, The Senate Has Voted to Borrow over $200 Billion</u>

Despite pledges to stop borrowing to provide for new spending when PAYGO was enacted in February, Senate leaders routinely use gimmicks and excuses to bypass PAYGO rules.

As a result, tens of billions of dollars continue to be borrowed by the Senate and added to the deficit every month.

This reckless borrowing and spending continues the behavior of Congress that has helped amassed a $13 trillion national debt and annual budget deficits exceeding $1 trillion for the foreseeable future.

Since February when PAYGO was enacted, over $200 billion in new spending has been approved without corresponding reductions in spending, violating the spirit of PAYGO.

On February 24, 2010, the Senate voted 62-34 to waive PAYGO on the HIRE Act (H.R. 2847).[1] The Senate later passed a slightly altered version on March 17, 2010. Total cost: **$46 billion ($47 billion** in new debt over the next ten years through various transfers to the Highway Trust Fund minus $1billion in savings).

While some Senators will make the argument Congress paid for the "jobs" bill, in reality they merely used a budget trick to hide the true cost of the bill. The Republican Policy Committee (RPC) explained the budget gimmick: This score does not include the debt that will be incurred by various transfers to the Highway Trust Fund. The Republican staff of the Senate Budget Committee has pointed out that these transfers will equal $47 billion in new debt over the next ten years. CBO does not score these in this bill because they are transfers between government accounts.[1]

On March 2, 2010, the Senate failed to comply with PAYGO when it approved the Temporary Extension Act of 2010 (H.R. 4691), a one-month extension of Unemployment Insurance, COBRA, Physician payments, and other subsidies. Total cost: **$10.3 billion.**[1]

On March 3, 2010, the Senate voted 60-37 to waive PAYGO on the tax extenders bill (H.R. 4213).[1] Total cost: **$99 billion**.[1]

On April 14, 2010, the Senate voted 60-40 to waive PAYGO on a two-month extension of Unemployment Insurance, COBRA, Physician payments, and other subsidies (H.R. 4851).[1] Total cost: **$18.1 billion.**[1]

On May 28, 2010, the Senate failed to comply with PAYGO when it approved H.R. 4899, the Supplemental Appropriations Act. Total Cost: **$59 billion**

The Senate deceived the public by passing a pay-as-you-go law with the claim they will offset what they spend, only to later ignore their self imposed debt control mechanism when it approved unpaid for legislation. For example, on January 28, 2010, the Senate Majority Leader stated, *In order to spend a dollar, we have to have that dollar in our wallet. This law will enforce that commonsense approach*."[1]

<u>Democrats Admit They Never Had Any Intention Of Enforcing PAYGO</u>

A number of Democrats admit there never was any intention of enforcing PAYGO, according to confessions published on June 10th in *The Hill*.

The plan all along had been to designate new spending as "emergency," thereby bypassing PAYGO rules requiring cuts in spending or increases in taxes to pay for new spending, and to hide behind "jobs" as the excuse for billions of dollars in new government borrowing and spending.[1]

<u>This Amendment Brings Transparency To How The Senate Adds Billions Of Dollars To Our Deficit</u>

This section would expose this PAYGO gimmick and encourage transparency in Senate spending by requiring the Secretary of the Senate to post on its website the following:

- The total amount of spending, both discretionary and mandatory, passed by the Senate that has not been paid for.

- The total amount of spending authorized in legislation passed by the Senate, as scored by CBO; and

- The number of new government programs created in legislation passed by the Senate.

<u>Excessive Borrowing And Spending Threatens The Financial Stability Of Medicare, Social Security, And The Nation Itself</u>

Today, the national debt is over $13 trillion, more than $42,000 per citizen. A year ago, the national debt was $11.2 trillion

Despite pledges to control spending, Washington adds $4.6 billion to national debt every single day-- that's $3.2 million every single minute.

This year, the government will spend more than $3.6 trillion and will borrow 43 cents for every dollar it spends.

According to CBO's new forecast, President Obama's budgets will add nearly $10 trillion in debt over the next ten years.

Of the $10 trillion in debt the government is likely to accrue over the next ten years, $4.8 trillion will be interest.

This is $4.8 trillion that could be better spent on national defense or returned to taxpayers to pay for health care, education, and other necessities.

Instead, families will be forced to pay higher taxes to pay off Congress' out of control spending excesses and future generations of Americans will experience a lower standard of living as a result.

The excessive debt does not only threaten the future of younger Americans, but also threatens the retirement security of older Americans.

Retirement programs like Medicare and Social Security are on the verge of bankruptcy.

Medicare is expected to run out of money and become insolvent in 2017.

Social Security will permanently start running a deficit in 2016, and will no longer be able to pay retirees full benefits by 2037.

Other important government programs Americans rely on nearly every day, such as the Highway Trust Fund and the U.S. Postal Service, are also spending more than they are bringing in with revenues.

The Family Budget Gets Smaller While The Government Budget Gets Bigger

The economy is struggling. Unemployment remains at 9.9 percent and family incomes fell by more than three percent last year.

Yet, while inflation is near zero, Washington spending continues to increase dramatically. In just the last year, the national debt increased 15 percent.

While most of the country faces tough financial times and tax revenues have declined, Congress continues to approve double-digit spending increases for bloated federal agencies wrought with duplication, waste, abuse, and mismanagement of taxpayer funding.

While individuals across the country are worried they might lose their job, members of Congress are focused on trying to keep their jobs by earmarking more than $11 billion for pork projects.

Since January of 2009, while Americans across the country adjusted their spending to the size of the shrinking family budget, Congress has passed trillions of dollars in new spending, on everything from a multi-billion dollar omnibus lands package that increases the size and cost of federal land property ownership to a nearly $1 trillion stimulus bill that has failed to create new jobs to a $2.5 trillion health care bill that penalizes Americans who cannot afford health insurance.

This massive spending has done nothing to put Americans back to work, but rather added to the debt that working Americans will be forced to eventually repay at the expense of their own family budget.