Congress of the United States
Washington, DC 20515

June 4, 2009

The Honorable Barack Obama
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President,

Per our last bipartisan leadership meeting on April 23rd, enclosed please find a list of proposals that we believe could generate significant savings for American taxpayers.

As we have expressed to you, we are greatly troubled by the spending and deficit levels adopted in the recent budget. We believe this level of spending and borrowing is not only unsustainable, but unfair towards hard-working American families who will see increased mortgage costs as a result of our reckless borrowing and to future generations who will be required to pay for this profligate spending.

In testimony before the House Budget Committee yesterday, Federal Reserve Chairman Bernanke raised similar concerns stating, "Unless we demonstrate a strong commitment to fiscal sustainability in the longer term, we will have neither financial stability nor healthy economic growth."

Of course, reducing spending is never easy. In 2005 when Congressional Republicans enacted the Deficit Reduction Act, which saved taxpayers $40 billion over five years, not one single Democrat in the House or Senate supported the bill. The proposed terminations and reductions your Administration released last month garnered immediate opposition from many Democrats. Likewise, the proposals we have put forward here will not be supported by all Republicans. However, if we work together, we are confident that we can come up with a common-sense package of entitlement reforms, program terminations, and spending reductions that will generate significant savings for the American taxpayer and reduce our current deficit. For example, enactment of the proposals we have outlined in the enclosed document could save taxpayers in excess of $375 billion.

We will continue to work with our Members to identify other potential areas for savings. We firmly believe that given the gravity of the current fiscal situation both parties must dedicate themselves to a sustained program to root out wasteful and unnecessary spending and reforming entitlement programs.

We look forward to working with you in this endeavor.

Sincerely,

John Boehner
Republican Leader

Eric Cantor
Republican Whip

Proposals to Reduce the Deficit and Achieve Savings for American Taxpayers

Submitted to the President of the United States

By

Republican Leader John Boehner

&

Republican Whip Eric Cantor

June 4, 2009

TABLE OF CONTENTS

1. Terminate Funding To Promote the Sale of Brand Name Food Products and Alcoholic Beverages (MAP):
2. Eliminate Funding for Private Sector Technology Research (TIP)
3. Eliminate Double Payments for Indirect Medical Education

REFORM FEDERAL PERSONNEL POLICIES TO REFLECT PRIVATE SECTOR PRACTICES

1. Update the Formula for Federal Pensions to Reflect Private Sector Practices
2. Eliminate Full-time Union Representatives From Federal Payroll
3. Eliminate Retirement Payments for Federal Workers Who Retire Before Age 62

OTHER COMMON SENSE REFORMS

1. Eliminate Wealthier Communities from the Community Development Block Grant Program
2. Require Food Stamp Beneficiaries to Meet Food Stamp Eligibility Requirements
3. Require States to Provide a Meaningful Energy Assistance Payment Before a Food Stamp Recipient Would be Entitled to a Standard Utility Allowance
4. Require Federal Agencies to Purchase Lowest Cost Vehicles

DISPOSE OF EXCESS FEDERAL PROPERTY AND COLLECTING UNPAID DEBTS

1. Update BLM Land Sale Authority and Direct a Portion of Proceeds to Deficit Reduction
2. Streamline Sale of Excess Federal Property
3. Improve Collection of Unpaid Federal Debts
4. Collect Medicare Overpayments Through Cross Referencing of Suppliers

LEGISLATIVE BRANCH SAVINGS

1. Terminate the House of Representative Wheels for Wellness Bike Sharing Program
2. Eliminate Duplicative Select Committee
3. Eliminate Overpayments in the Contract for Restaurant Services for the House of Representatives

SUMMARY TABLE

	Potential Savings
BROADBASED BUDGET REFORMS:	
Common Sense Spending Caps	$317 Billion (5 Years)
Commission to Review Government Spending	Indeterminate
Require New Programs to Be Paid For	Indeterminate
Opportunity to Review Legislation	Indeterminate
FOCUSING ON DEFICIT REDUCTION:	
Devote Repaid TARP Funds to Deficit Reduction	$45 Billion + (Current year)
CONSOLIDATING PROGRAMS, TERMINATING LOW PRIORITY PROGRAMS, AND REFOCUSING FEDERAL PROGRAMS ON CORE FEDERAL PRIORITIES:	
Consolidate Federal Arts Programs	$60 Million (5 Years)
Refocus the National Science Foundation on Hard Sciences	$495 Million (5 Years)
Refocus the National Park Service on Administering Federal Parks	$78.5 Million (5 Years)
Refocus Federal Land and Water Conservation Funding On Federal Projects	$150 Million (5 Years)
Refocus National Archives Activities on Preserving Federal Records	$50 Million (5 Years)
Terminate HUD Program for Doctoral Dissertations	$1.5 Million (5 Years)
Terminate Funding for Unnecessary International Organizations	$417.5 Million (5 Years)
Terminate Funding for the National Drug Intelligence Center	$220 Million (5 Years)
Terminate Funding for the State Justice Institute	$25.5 Million (5 Years)
Consolidate and Reduce Funding for Federal Advisory Committees	$170 Million (5 Years)
Suspend Federal Land Purchases	$990 Million (5 Years)
Terminate Safe Routes to Schools Program	$915 Million (5 Years)
Terminate New Federal Truck Parking Facilities Program That Competes with Private Truck Stops	$32.5 Million (5 Years)
Terminate Federal Transportation Funding for "Non-motorized" Transportation Projects	$125 Million (5 Years)
Eliminate Federal Transportation Funding for Landscaping, Museums, and Other Transportation "Enhancements"	$4.1 Billion (5 Years)

Eliminate Unnecessary Federal Offices Such as the Treasurer of the United States	Indeterminate
Terminating Duplicative Education Programs	$2.2 Billion (5 Years)
Terminating Ineffective Federal Education Programs	$2.8 Billion (5 Years)
Terminate Non-Federal Priorities and Single Recipient Programs	$771 Million (5 Years)
Terminate Funding for the DOD Innovative Readiness Training Program	$100 Million (5 Years)
REDUCING CORPORATE WELFARE	
Terminate Funding To Promote the Sale of Brand Name Food Products and Alcoholic Beverages (MAP):	$71.5 Million (5 Years)
Eliminate Funding for Private Sector Technology Research (TIP)	$349.5 Million (5 Years)
Eliminate Double Payments for Indirect Medical Education	$5.2 Billion (5 Years)
REFORM FEDERAL PERSONNEL POLICIES TO REFLECT PRIVATE SECTOR PRACTICES	
Update the Formula for Federal Pensions to Reflect Private Sector Practices	$1.2 Billion (5 Years)
Eliminate Full-time Union Representatives From Federal Payroll	$60 Million (5 Years)
Eliminate Retirement Payments for Federal Workers Who Retire Before Age 62	Indeterminate, but Potentially $1.3 Billion (5 Years)
OTHER COMMON SENSE REFORMS	
Eliminate Wealthier Communities from the Community Development Block Grant Program	$1.7 Billion (5 Years)
Require Food Stamp Beneficiaries to Meet Food Stamp Eligibility Requirements	$1.7 Billion (5 Years)
Require States to Provide a Meaningful Energy Assistance Payment Before a Food Stamp Recipient Would be Entitled to a Standard Utility Allowance	Indeterminate
Require Federal Agencies to Purchase Lowest Cost Vehicles	Indeterminate
DISPOSE OF EXCESS FEDERAL PROPERTY AND COLLECTING UNPAID DEBTS	
Update BLM Land Sale Authority and Direct a Portion of Proceeds to Deficit Reduction	$173 Million (5 Years)

Streamline Sale of Excess Federal Property	Indeterminate
Improve Collection of Unpaid Federal Debts	$47 Million (5 Years)
Collect Medicare Overpayments Through Cross Referencing of Suppliers	Indeterminate
LEGISLATIVE BRANCH SAVINGS	
Terminate the House of Representative Wheels for Wellness Bike Sharing Program	Indeterminate
Eliminate Duplicative Select Committee	Up to $4.1 Million
Eliminate Overpayments in the Contract for Restaurant Services for the House of Representatives	$5 Million (5 Years)

BROADBASED BUDGET REFORMS:

Common Sense Spending Limits

Of course, the easiest way to save taxpayer money is to not spend it in the first place. Unfortunately, Washington uses budgets and baselines that assume that whatever we spend today we will spend that much and more next year. For example in the President's budget submission, non-defense discretionary grows from $486 billion this year to $522 billion next year and $608 billion in five years.

While many Republicans favor an immediate cut or freeze in non-defense discretionary spending, given the current deficit, both parties ought to be able to agree at a minimum to impose discretionary spending limits that provide that non-defense discretionary spending will grow at a level not exceeding inflation. Such a limit would produce considerable savings compared to the Administration's budget. In fact, such a change would save $317 billion over the next five years compared to the budget submitted by the Administration.

Commission To Review Government Spending

Governors have had success in cutting waste and duplication by creating outside commissions to recommend programs that should be terminated or consolidated. For example, Indiana Governor Mitch Daniels (R-IN) created a "Blue Ribbon Commission on Local Government Reform" in 2007 to recommend ways to restructure local government to increase efficiency and reduce the financial burden on Indiana taxpayers. The Committee's final report contained 27 recommendations. In December 2008, Gov. Daniels announced an agenda for reform, based on the 27 recommendations from the Committee. In his agenda, Gov. Daniels provided each Committee recommendation, the Governor's rationale for adopting the recommendation, and the action required to implement the recommendation (legislative, administrative, local referendum, etc.). Where possible, Gov. Daniels provided specific legislative recommendations or detailed actions his administration had taken. In April 2009, Louisiana Governor Bobby Jindal (R-LA) issued an executive order creating a Commission on Streamlining the Government. The mission of the Commission is to examine each state department or agency's constitutional and statutory functions, powers, duties and responsibilities to determine which of these functions, powers, duties and responsibilities can be (1) eliminated, (2) streamlined, (3) consolidated, (4) privatized, or (5) outsourced in an effort to reduce the size and cost of state government.

The Federal government should take a cue from state governments and create a commission to root out waste and duplication in both discretionary and entitlement programs. Such a commission should be modeled on the Grace Commission that operated at no cost to taxpayers and was staffed by volunteers and experts from the private sector.

RequireNew Programs To Be Paid For

While there has been much discussion about "pay-go" requirements, all the existing proposals allow either Congress or the Administration to propose or launch brand new programs without reducing spending somewhere else. The merit of every new proposal ought to be judged based on whether it is more important than something the government is already doing. If a new proposal is not worth paying for by eliminating or reducing existing government programs it is clearly not a high priority. A new requirement should be adopted for the both the Administration and Congress that requires that the creation of a new program be accompanied by the termination of or reduction in an existing program. This requirement would slow the growth in government and force Congress to prioritize spending by eliminating or reducing existing programs.

Opportunity To Review Legislation

Members of both parties have suggested that increasing transparency in government is critical to detecting waste before it is enacted. Strict enforcement of a mandatory minimum 72-hour review period – which has been endorsed by groups such as the American Legislative Exchange Council (ALEC), a coalition of reform-minded state legislators, and the pro-transparency Sunlight Foundation – would offer elected officials and the public the opportunity to root out waste before Congress acts on legislation.

FOCUSING ON DEFICIT REDUCTION:

Devote Repaid TARP Funds To Deficit Reduction

The Administration has indicated that they intend to recycle any capital injections made under the Troubled Asset Relief Program (TARP) to banks that are repaid. Recycling these funds means they will not be available for deficit reduction and instead will be used for additional bailouts. Consistent with the intent of the TARP program all repaid TARP funds as well as any proceeds from TARP investments should be immediately used to reduce the deficit. Press reports indicate that financial institutions intend to repay up to $45 billion in capital injections. Devoting these funds to deficit reduction rather than recycling them would save taxpayers $45 billion.

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

Consolidate Federal Arts Programs

The Federal government currently operates the National Endowment for the Arts and the National Endowment for the Humanities as separate programs. Each has a Director and its own separate administrative budget, each totaling nearly $30 million a year. Consolidating the agencies into one single entity could generate savings by eliminating duplicative administrative functions. Savings of 20% per year would generate $60 million for taxpayers over five years.

Refocus The National Science Foundation On Hard Sciences

The National Science Foundation intends to spend $198 million next year on Behavioral and Cognitive Sciences (BCS) and Social and Economic Sciences (SES). Unlike NSF's other hard science programs (such as engineering and biological sciences) these soft science programs are often more controversial and less directly related to NSF’s core mission. Past NSF awards have included: Policy Positions and Policy Choice in U.S. Legislatures, Collaborative Research on Team versus Individual Play, Study of the Archives of Andean Knotted-String Records: The Khipu Database Project, Accuracy in the cross-cultural understanding of others' emotions, The Cultural Politics of Fair Trade Coffee: Commodifying Social Justice, and Social Relationships and Reproductive Strategies of Phayre's Leaf Monkeys. Reducing spending for BCS and SES programs by 50% would save taxpayers $99 million next year and $495 million over five years.

Refocus The National Park Service On Administering Federal Parks

In addition to maintaining nearly 400 national parks, the National Park Service also operates two programs to fund preservation efforts for local projects not-connected to federal parks. The National Heritage Area Grants and Statutory Aid programs have been described by the Park Service themselves as “secondary to the primary mission of the National Park Service.” The Administration has proposed eliminating funding for statutory aid generating savings of $5.6 million next year. Eliminating National Heritage Area Grants would save an additional $15.7 million next year and $78.5 million over five years.

Refocus Federal Land And Water Conservation Funding On Federal Projects

In addition to federal efforts by the Department of Interior to promote land and water conservation, the government through the Land and Water Conservation Fund provides recreation grants to states and local governments to acquire land and make improvements in their own parks. State and local government should be responsible for maintaining their own parks. Refocusing federal resources on federal parks would save taxpayers the $30 million allocated for these grants in next year’s budget and $150 million over five years.

Refocus National Archives Activities On Preserving Federal Records

The National Archives and Records Administration and the National Historical Publications and Records Commission are charged with managing Federal records. However, the Commission has drifted from its core mission and currently spends approximately $10 million a year on grants for state and local governments, universities and other institutions to preserve and publish non-Federal records. Refocusing the Commission on the preservation of Federal records would save taxpayers $10 million next year and $50 million over five years.

Terminate HUD Program For Doctoral Dissertations

Currently, the Department of Housing and Urban Development spends approximately $300,000 a year to fund $25,000 stipends for 12 students completing their doctoral dissertation on issues related to housing and urban development. Funds may be used for “stipends, computer software, the purchase of data, travel expenses to collect data, transcription services, and compensation for interviews. Grants cannot be used for tuition, computer hardware, or meals.” Upon completion the grantee is required to provide a copy of their dissertation to HUD. By focusing on its core mission rather than funding academic pursuits, taxpayers could save $1.5 million over five years.

Terminate Funding For Unnecessary International Organizations

The administration recently proposed deleting the Department of Education's attaché to UNESCO saving approximately $632,000 a year. Terminating U.S. support for UNESCO entirely would save taxpayers $78.1 million annually. The U.S. had not supported UNESCO for 19 years prior to the decision by the Bush administration to rejoin in 2003 and Membership provides little benefit to taxpayers in light of the overall cost.

In addition to eliminating funding for UNESCO, funding for other international organizations should be terminated as well such as the request for $4 million for two international organizations responsible for implementing the Law of the Sea Treaty, a treaty that has not even been ratified by the United States. Taxpayer support for other international organizations that serve narrow commercial interests should also be terminated. These include: the International Coffee Organization, the International Copper Study Group, the International Cotton Advisory Committee, the International Grains Council, the International Lead and Zinc Study Group, and the International Rubber Study Group. Terminating funding for these entities would save taxpayers $1.4 million a year.

Taken together these actions would save taxpayers $417.5 million over five years.

Terminate Funding For The National Drug Intelligence Center

The National Drug Intelligence Center (NDIC) has been the subject of significant public debate recently because it unnecessarily duplicates the work of other agencies and it justification seems to have more to do with its powerful patron than its benefits to the taxpayer. Terminating NDIC would save taxpayers $44 million next year and $220 million over five years.

Terminate Funding For The State Justice Institute

The State Justice Institute, a non-profit corporation created by Congress, makes grants for research on criminal justice matters. Similar efforts are undertaken by the Department of Justice. Eliminating the duplicative State Justice Institute would save taxpayers $25.5 million over five years.

Consolidate And Reduce Funding for Federal Advisory Committees

In 2008, the Federal government spent $342 million on 917 active Federal Advisory Committees. These committees had nearly 64,000 total members. Many of these Committees are duplicative. For example the National Endowment for the Arts spent $1.3 million on two separate advisory panels both of which makes recommendations to the NEA chairman. At the U.S. Geological Survey, the Scientific Earthquake Studies Advisory Committee actually recommended the creation of the National Earthquake Prediction Council. Now taxpayers fund both committees at a cost of nearly $200,000 a year. These earthquake committees are in addition to a third committee run by the Department of Commerce. This third advisory committee, which counts the Geological Survey as a Member, costs taxpayers another $43,000. In 2005, the Department of Interior even created an advisory committee to advise it on dog management at the Golden Gate National Recreation Area. Three years later, this committee cost taxpayers $41,000. Consolidating existing Advisory Committee and with a goal of reducing overall funding by 10% would save taxpayers $$34 million next year and $170 million over five years.

Suspend Federal Land Purchases

The Administration is requesting $198 million next year for the purpose of acquiring additional federal lands for the Departments of Interior and Agriculture. This is nearly a 50 percent increase over the comparable amount of funding two years ago. Given that the federal government has a multi-billion dollar maintenance backlog for the land it already owns, suspending new Federal Land purchases for five years would permit the government o focus on maintaining existing property while also saving taxpayers $990 million.

Terminate Safe Routes To Schools Program

Created only in 2005, the Federal "Safe Routes to Schools Program" finances what have traditionally been viewed as local responsibilities, namely financing sidewalks and bike paths, crossing guards and other infrastructure and non-infrastructure projects to assist children who walk or bike to school. Returning these responsibilities to state and local officials would save taxpayers $183 million a year or $915 million over five years.

Terminate New Federal Truck Parking Facilities Program That Competes With Private Truck Stops

Created only in 2005, the Federal government currently spends $6.5 million for a Truck Parking Facilities program. This program was created to provide government funding for projects that will build long-term truck parking facilities that will compete with private truck stop operators. Eliminating this program would save taxpayers $32.5 million over five years.

Terminate Federal Transportation Funding For "Non-Motorized" Transportation Projects

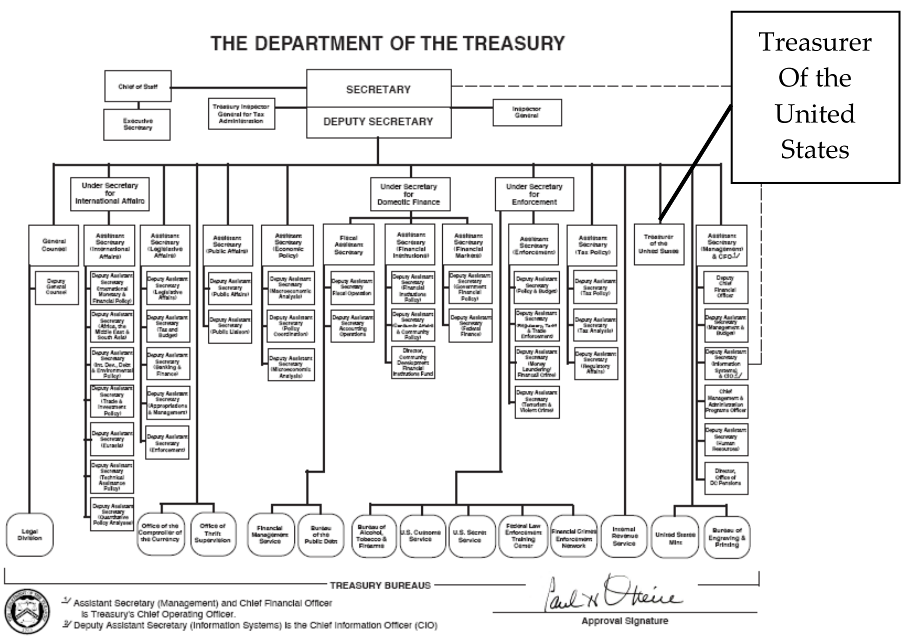
The Federal government is currently spending $25 million a year to fund four Non-motorized Transportation Pilot programs. This program is designed to fund a network of "non-motorized transportation infrastructure facilities" to encourage residents to walk or bike rather than using a car. Refocusing Federal resources on transportation projects with a federal nexus would save taxpayers $125 million over five years.

Eliminate Federal Transportation Funding For Landscaping, Museums, And Other Transportation "Enhancements"

While most Federal transportation funding focuses on interstate highways and mass transit programs, the Federal government also spend approximately $833 million a year for so-called "transportation enhancement" projects. These projects can include, pedestrian and bike facilities and education, landscaping, historic preservation, rehabilitation and operation of historic "transportation buildings," and even the establishment of transportation museums. These projects are more appropriately funded by state and local governments and terminating funding for this program and refocusing federal transportation initiatives on truly national projects would save taxpayers $4.1 billion over five years.

Eliminate Unnecessary Federal Offices Such As The Treasurer Of the United States

The office of the Treasurer of the United States was established on September 6, 1777. The Treasurer was originally charged with the receipt and custody of government funds. Over 200 years, the duties of the Treasurer changed significantly. At different times, the Treasurer managed the government's balance sheets and the printing of our currency. Many of these duties over time were given over to more specialized offices and officers, including the Financial Management Service and the Bureau of Printing and Engraving – but the office of the Treasurer remained in place. The most recent organizational chart for the Department of Treasury makes clear that none of these or any other offices report to the Treasurer. The job description contained on the Treasury's website describes the Treasurer as a consultant, advisor, spokesman, and surrogate within the Department.



Terminating the office of the Treasurer would generate savings for taxpayers.

Terminating Duplicative Education Programs

The Department of Education currently administers hundreds of separate education programs. Many of these programs are duplicative of other programs. In many cases, schools have the flexibility to use other federal funds for the purposes of some of these targeted programs. Eliminating duplicative education programs will streamline Federal education initiatives and provide savings. The President recognized this when he proposed terminating several duplicative programs in his budget. Building on the President's recommendations, additional savings can be achieved by eliminating the following programs:

Program	One Year Savings	Five Year Savings	Program is Duplicative Of
Improving Literacy Through School Libraries	19,145,000	95,725,000	ESEA Title I, IMLS (Museum and Library Sciences)
School Leadership	19,220,000	96,100,000	ESEA Title II, Teacher Incentive Fund (TIF)
Grants to reduce alcohol abuse	32,700,000	163,500,000	Safe and Drug Free School program (SDFS)
Mental Health Integration in Schools	5,900,000	29,500,000	SDFS, HHS programs
Elementary and Secondary School Counseling	52,000,000	260,000,000	SDFS
Native Hawaiian Education	33,315,000	166,575,000	ESEA Title I
Alaska Native Education	33,315,000	166,575,000	ESEA Title I
Thurgood Marshall Legal Educational Opportunity Program	3,000,000	15,000,000	HEA Title IV student aid programs
Demonstration Projects for Students with Disabilities	6,755,000	33,775,000	HEA Title IV student aid, Voc Rehab, program has fulfilled its purpose
Teachers for a Competitive Tomorrow	2,184,000	10,920,000	ESEA Title II, TIF
Additional Assistance for LEAs	66,208,000	331,040,000	ESEA Title I
Foreign Language Assistance Program	26,328,000	131,640,000	ESEA Title I
Incarcerated Youth Program	17,186,000	85,930,000	SDFS, ESEA Title I
National Environmental Education Act	9,000,000	45,000,000	ESEA Title I
Centers of Excellence in Early Childhood	2,000,000	10,000,000	Head Start
Carl Perkins Title II	102,923,000	514,615,000	Voc Ed title I
Alaska Native and Native Hawaiian serving Institutions	11,579,000	57,895,000	Title IV

Eliminating these duplicative programs would save taxpayers $442.8 million in the first year and $2.2 billion over five years.

Terminating Ineffective Federal Education Programs

In his budget submission, the President proposed terminating funding for certain education programs that had not been able to demonstrate their effectiveness, such as the Even Start program. Building on the President's recommendation and utilizing the objective program rating tools, we can increase the savings available to the taxpayer by terminating other programs that have been unable to demonstrate any meaningful achievement for taxpayers. These terminations include:

Program	One Year Savings	Five Year Savings	Program Review
National Writing Project	24,291,000	121,455,000	Results not Demonstrated - 2004
Teaching of Traditional American History	118,952,000	594,760,000	Results not Demonstrated - 2004
Enhancing Education through Technology	269,872,000	1,349,360,000	Results not Demonstrated - 2005
Ready to Learn Television (within Ed Tech but separate appropriation)	25,416,000	127,080,000	Results not Demonstrated - 2004
Smaller Learning Communities	88,000,000	440,000,000	Results not Demonstrated - 2005
Byrd Honor Scholarships	40,642,000	203,210,000	Results Not Demonstrated – 2004

Eliminating these ineffective programs would save taxpayers $567 million in the first year and $2.8 billion over five years.

Terminate Non-Federal Priorities And Single Recipient Programs

The Federal government also operates a number of education programs that are not clearly Federal priorities and are more appropriately managed by state and local governments. Eliminating funding for these programs will help focus Federal education activities on clearly identified federal priorities and generate savings for taxpayers.

Program	One Year Savings	Five Year Savings	Justification
Reading is Fundamental	24,803,000	124,015,000	Earmark to private entity
Physical Education	78,000,000	390,000,000	Not a federal role, CDC funds similar programs
Alaska Natives, Hawaiian Natives and Whaling Partners	8,754,000	43,770,000	Not a federal role
Arts in Education	38,166,000	190,830,000	Not a federal role, Title I can fund

Women's Educational Equity	2,423,000	12,115,000	No longer needed
Underground Railroad Program	1,945,000	9,725,000	Pilot has served its purpose

Eliminating these ineffective programs would save taxpayers $154 million in the first year and $771 million over five years.

<u>Terminate Funding For The DOD Innovative Readiness Training Program:</u>

The Innovative Readiness Training program deploys military resources in support of civilian construction, health care and other non-DOD programs. Through the program, federal funds are used for such things as the construction of rural roads, airplane runways, small building and warehouse construction Described as training for National Guard units, this program, which was only created in early 1990s, is a use of military funds for non-military projects. Terminating this program would save taxpayers at least $100M over 5 years.

REDUCING CORPORATE WELFARE

<u>Terminate Funding To Promote The Sale of Brand Name Food Products And Alcoholic Beverages:</u>

Run by the Department of Agriculture, the Market Access Program funds promotional activities for the sale of U.S. agriculture products abroad. In the most recent year, funding was provided for brand names including Sunkist ($4.2 million) and Welch's ($967,687). In addition, funds were provided to promote the sale of alcoholic beverages, including Distilled Spirits Council ($147,692), Wine Institute ($7.5 million), New York Wine and Grape Foundation ($301,770), Northwest Wine Promotion Institute ($881,845), and the Brewers Association ($313,279). The Administration has proposed reducing funding for the MAP program by 20%. In addition to those savings, specifically eliminating funding for the promotion of brand-name products and alcoholic beverages would save taxpayers $14.3 million next year and $71.5 million over five years.

<u>Eliminate Funding For Private Sector Technology Research (TIP)</u>

The Technology Innovation Program, the successor to the Advanced Technology Program, partners with private institutions, including corporations, to funds high-tech research and development. These activities should be funded by the private sector, including by the businesses themselves or through private venture capital. Eliminating this program would save $69.9 million next year and $349.5 million over five years.

<u>Eliminate Double Payments For Indirect Medical Education</u>

Currently the government makes payments directly to teaching hospitals to help cover the indirect costs of medical education (IME) whenever the hospital sees a Medicare enrollee. These direct payments include payments made on behalf of Medicare Advantage enrollees. However, the current formula for Medicare Advantage also includes an allowance for IME. As a result, the government is paying twice for the same cost. CBO has estimated 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

Initial pension benefits for federal civilian employees are calculated based on the average of employee's highest earnings over three consecutive years. It is common practice in the private sector to base benefits on a five year average. The Congressional Budget Office has estimated that moving to a five year average would save taxpayers $1.2 billion over five years.

Eliminate Full-time Union Representatives From Federal Payroll

Under current law, Federal employees who are part of a collective bargaining unit may be granted "official time" to perform representational duties on behalf of the union. While on official time, the employee is paid by the government but is acting on behalf of the union. According to the Office of Personnel Management, in FY 2008 the Federal government spent $120 million paying employees for their time spent working on union activities. While some employees only spend minimal time on union activities, others are designated as 100 percent on official time, meaning they are paid to spend all of their time on union activities. In their report, OPM suggests a significant amount of the time spent on general labor-management category (as opposed to dispute resolution or contract negotiations) is spent by those on 100 percent official time. Eliminating 100 percent official time would save taxpayers millions of dollars each year. Savings of just 10% a year would save taxpayers $12 million next year and $60 million over five years.

Eliminate Retirement Payments For Federal Workers Who Retire Before Age 62

The Federal government provides civilian employees with a benefit not normally offered to private sector employees, Federal employees who retire at age 55 or older with at least 30 years of service or at age 60 with at least 20 years of service receive until they reach 62 a benefit equal to the estimated Social Security benefit for which the worker will become eligible at age 62. This policy not only encourages Federal employees to retire early, but it comes at a significant cost to taxpayers. Preliminary estimates indicate that the early retirement benefit costs taxpayers $267 million a year.

OTHER COMMON SENSE REFORMS

Eliminate Wealthier Communities From The Community Development Block Grant Program

HUD's Community Development Block Grant programs provides grants to "carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services." While designed primarily to benefit low and moderate income households, funds for entitlement communities are distributed based on a formula that allows high-income communities to receive funds alongside low-income communities. The Congressional Budget Office has previously estimated that restricting funds to those communities whose per-capita income is 110 percent or less of the national average would save approximately $1.7 billion over five years.

Require Food Stamp Beneficiaries To Meet Food Stamp Eligibility Requirements

Under existing law, a State agency could determine that an individual is automatically eligible for food stamps if he participates in the Temporary Assistance for Needy Families (TANF) program, or is receiving supplemental security income (SSI) or other general assistance. These programs can provide assistance in the form of cash or through in-kind services. As a result, individuals who are otherwise ineligible for food stamps may be automatically enrolled in the food stamp program. A recent example illustrates how Ohio issued $500 a month in food stamps to a person who has over $80,000 cash in the bank, lives in a house valued at over $300,000 that is paid off, and drives a new Mercedes – all due to categorical eligibility. Other States also are allowing someone who is eligible to receive TANF in-kind services – something as simple as an information brochure - to receive food stamp benefits even though under separate food stamp eligibility criteria he or she would not be eligible. Restricting categorical eligibility to only those who receive cash TANF or SSI assistance would ensure that food stamps are only available to those who generally meet the food stamp requirements and would save 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

Recently the state of Washington sent all food stamp participants a $1 energy assistance check in order to help the participants receive more food stamp benefits. The Food and Nutrition Act contains a 1982 provision that allows food stamp participants to deduct from their income a standard utility allowance (set by the State) if they receive an energy assistance payment. The result in Washington State is that the $1 check gives all participants the standard utility allowance, which in Washington is $352 - $405 per month. Consequently, deductions go up, net income goes down, and food stamp benefits go up. In October 2008, USDA surveyed States to determine how many had adopted a policy of issuing minimal payments, which are typically $5 or less per year. USDA found six States, including Washington, are providing minimal energy assistance payments, although it is possible more States have adopted the policy since the survey was conducted. Washington State believes it will receive $43 million in additional benefits by abusing the food stamp system. Requiring States to provide a meaningful energy assistance payment, not a token $1 or $5 check, before a food stamp recipient can deduct a standard utility allowance, would eliminate the ability of states to game the system and save taxpayer $43 million in Washington State alone.

Require Federal Agencies To Purchase Lowest Cost Vehicles

The Department of Energy currently operates a cost calculator that allows users to compare the fleet costs of a hybrid versus non-hybrid automobile. Utilizing the life-time cost to the taxpayer, federal agencies should be required to purchase the lowest cost option when purchasing vehicles for the federal fleet.

DISPOSE OF EXCESS FEDERAL PROPERTY AND COLLECTING UNPAID DEBTS

Update BLM Land Sale Authority And Direct A Portion Of Proceeds To Deficit Reduction

Under existing federal law, the Bureau of Land Management is authorized to sell certain previously designated public lands and use the proceeds to acquire other parcels of land. Updating BLM's authority to sell land to reflect the most recent resource management plans will increase the amount of land BLM is able to sell. In addition, directing 70 percent of the proceeds up to $60 million and 100 percent of proceeds beyond $60 million will produce savings for the taxpayer. The Congressional Budget Office has estimated that together these changes would save $173 million over five years.

Streamline Sale Of Excess Federal Property

Office of Management and Budget estimated in 2007 that the federal government is currently holding $18 billion in real property that it does not need. According to the Government Accountability Office, Federal red tape prevents it from being disposed, though, since property must undergo extensive administrative evaluations to determine if properties should be used for a variety of purposes, such as a homeless shelter, a school, a community health facility or other socially beneficial objective. In many cases, agencies are holding onto surplus property because it is easier to hold onto it and maintain it than it is to sell it. Clearing away these regulations would help get rid of billions in unneeded property and generate income for the Treasury.

Improve Collection Of Unpaid Federal Debts

The government currently has the ability to collect unpaid non-tax debt (such as SBA loans, OSHA penalties, etc) by reducing tax refunds and other federal payments. However, the offset program is subject to a 10 year statue of limitations and debt older than 10 years may not be collected through the offset process. Removing the statute of limitations has been previously estimated by the Office of Management and Budget to save taxpayers $47 million over five years.

Collect Medicare Overpayments Through Cross Referencing Of Suppliers

In 2006, Medicare was owed over $400 million from overpayments that had been made to durable medical equipment providers. These overpayments are classified as Currently Not Collectible (CNC). A recent Inspector General report looked at several such cases in Texas and found that the owners / operators of those companies often were affiliated with other Medicare suppliers. Asking Medicare to cross-reference those with unpaid to see if there are any other entities billing the program that the owners are affiliated with might help eliminate some of those CNC amounts providing savings to the taxpayer.

LEGISLATIVE BRANCH SAVINGS

Terminate The House Of Representative Wheels For Wellness Bike Sharing Program

The Chief Administrative Officer introduced a program that includes 30 leased bikes, paid for by the taxpayer but free to use for all House staff. In explaining the benefits of the program, the Chief Administrative Officer said: "Bike sharing will give our employees an opportunity to exercise during the day along the Mall. Or, it will enable our employees to go shopping, grab a quick lunch or complete an errand during the day." The bikes have been checked out less than 300 times in the year the program has operated. At a cost of $22,000 and counting, that totals about $73 per bike ride. The Wheels for Wellness Program should be terminated and the resulting savings should be used for deficit reduction.

Eliminate Duplicative Select Committee

In the 111th Congress, the Select Committee for Energy Independence and Global Warming will receive $4,167,500 in operating funds. This, despite the fact that the select committee has no legislative authority, and duplicates the work of other authorizing and oversight committees, namely the Energy & Commerce Committee. The Select Committee should be terminated and the savings used to reduce the deficit.

Eliminate Overpayments In The Contract For Restaurant Services For The House Of Representatives

The Chief Administrative Officer reached an unauthorized agreement to provide the House’s food services contractor with subsidy payments for biodegradable serving ware and utensils, despite the fact that the contractor was required to provide these items (without additional compensation) under their original contract. These and other unauthorized contract modifications will cost the taxpayer about $700,000 annually in forfeited commissions, or close to $5 million over the life of the 7-year contract. The contract should be renegotiated to remove these additional costs and the savings used to reduce the deficit.