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How to Improve the Government Waste Commission Proposals

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With federal spending expanding 9 percent in 2006 alone, lawmakers are finally taking up the government waste commission bills (H.R. 5766 and H.R. 3282) authored by Reps. Todd Tiahrt (R-KS) and Kevin Brady (R-TX). Both lawmakers should be commended for taking aim at the outdated, failed, and duplicative programs that have been layered on top of one another for decades. To be effective, a government waste commission must be specifically designed to overcome the special interest logrolling that has protected wasteful spending for years. The proven model for doing this is the Base Realignment and Closure (BRAC) commission, which has been used to close obsolete military bases since the 1980s. Unfortunately, neither the Tiahrt nor the Brady bill includes the components that made BRAC so successful. Lawmakers seeking budget savings should strengthen these bills.

Why Wasteful Programs Persist

Public choice economists, such as Nobel laureate James Buchanan, blame reelection politics for the persistence of outdated federal programs. Imagine that the federal government ran a \$300 million program that pays 1,000 people large sums of money for no legitimate purpose. This program, despite its wastefulness, will be defended to the death by its small cadre of recipients and supporters. The rest of the country may consider the program useless and yet not invest time and energy to fight the program because it costs just \$1 per American. When the program's funding comes up, only

its supporters will lobby Congress. Even lawmakers who do not have any beneficiaries in their district may support this program in return for other lawmakers' support of their own projects (in other words, logrolling). Multiply this phenomenon by thousands of federal grants and programs, and it becomes clear why Congress fails to eliminate duplicative, wasteful, outdated, and failed programs—and why Washington now spends \$23,760 per household annually.¹

Why BRAC Works

The BRAC model has proven to be the most effective way to eliminate special interest spending. In creating BRAC, lawmakers formed a commission of nonpartisan experts to recommend a large package of base closures across the country. These recommendations were then sent to the House and Senate floors, where lawmakers were required to approve or disapprove the entire package without amendment. This solved the public choice puzzle for two reasons. First, it diminished special-interest opposition because lawmakers no longer felt that a single base was being unfairly singled out. And even if lawmakers did feel targeted, the amendment

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restriction meant that saving their military base required voting down the entire savings package. Second, the merging of so many base closings into one package resulted in large savings—large enough to motivate taxpayers into matching the intensity of military base supporters. Lawmakers could tell local residents that they opposed closing the local base but that the taxpayer savings from all the other closed military bases were large enough to make up for the loss.¹

Four Elements of a Successful Commission

A government waste commission based on the BRAC model can overcome the logrolling that currently protects wasteful spending. A successful commission must have four key elements:

Element #1: A Bipartisan Commission. The commission must include Republicans, Democrats, independents, and non-member experts in order to allow for bipartisan acceptance of the recommendations.

Element #2: Examine All Agencies and Programs. The commission must be allowed to examine all federal agencies and programs, from defense to entitlements to domestic discretionary programs.

Element #3: Clear and Concise Criteria. The commission must rely on a short and targeted list of criteria to evaluate programs in order to allow a commission to be quick yet scientific in its analysis.

Element #4: Expedited Legislative Action, Without Amendments. Most importantly, the commission must require Congress to vote up-or-down on the entire package of recommendations without any amendments.

Evaluating the Tiahrt Commission Bill

Rep. Tiahrt recently offered the Government Efficiency Act of 2006 (GEA) as a compromise between his more promising bill (H.R. 2470, known as CARFA) and Rep. Brady's commission bill. GEA does include all agencies and programs. However, it could be improved relative to the other three elements:

1. **A Bipartisan Commission.** Allowing the president to appoint all seven members (even while requiring consultation with both parties in Congress) may be seen as overly partisan and therefore decrease the likelihood that the final savings package would be approved. Concerns that some lawmakers may sabotage a commission by appointing staunch opponents of reform are legitimate. Therefore, it may be better for the legislation to specify the appointment of several non-partisan experts from the Congressional Budget Office (CBO), Government Accountability Office (GAO), and similar agencies.
2. **Clear and Concise Criteria.** GEA's criteria focus broadly on effectiveness, efficiency, and duplication. However, the commission would be allowed to recommend not only reorganizations, consolidations, abolitions, and transfers, but also *expansions* of existing federal programs. Lawmakers may have intended this provision to allow the merging of duplicative programs into one larger program. If that is the case, they may wish to replace "expand" with "merge." Otherwise, this provision would allow the commission to recommend large program expansions that are counter to the objective of this legislation.
3. **Expedited Legislative Action Without Amendments.** The single biggest weakness of the GEA proposal is that it allows lawmakers to amend the package in committee and on the floor. The single most effective element of the BRAC model is that it disallows amendments, which prevents the special-interest logrolling that currently keeps each wasteful program alive, one by one. Forbidding amendments equalizes lawmaker sacrifice and, by forcing lawmakers to vote for all other wasteful spending just to protect their own, raises the political price of protecting one's own favored program. The GEA's permitting lawmakers to amend out their own pet projects would likely lead to an endless series of special-interest votes to protect

1. Brian M. Riedl, "Federal Spending: By the Numbers," Heritage Foundation *Webmemo* No. 989, February 6, 2006, at <http://www.heritage.org/Research/Budget/wm989.cfm>.

each program until the entire package unravels. Unless lawmakers bar amendments, the savings package put forth by the commission will have very little chance of passing without being substantially diluted.

Evaluating the Brady Commission Bill

Rep. Brady's commission bill is more of a sunset bill than a BRAC-based waste commission. The bill requires that the programs included in the commission's recommendations be abolished unless specifically reauthorized by Congress. Consequently, the programs ultimately targeted under this legislation could be protected by the same special-interest logrolling that currently keeps these programs alive each year. The same congressional majority that funds each program could also reauthorize them one at a time, with no BRAC-style mechanism to change the political dynamic by forcing a vote on a single large reform package. Yet because it is a sunset bill, including a new provision that would merge the entire reauthorization package into a single up-or-down vote may not be within the spirit of the legislation. Therefore, bill improvements can focus on three other aspects of the bill:

1. **A Bipartisan Commission.** The Brady commission bill would allow all twelve commission members to be appointed by the majority party in the House and Senate (with consent from minority lawmakers). This virtually guarantees nearly unanimous minority opposition to whatever package the commission creates. This legislation should add non-partisan representatives from CBO and GAO and strive to allow more minority input in composing the commission.

2. **Clear and Concise Criteria.** The Brady commission bill's 19 broad criteria for judging each program risks bogging down the commission. The criteria list should be as short and measurable as possible to keep the commission moving briskly. One worthwhile suggestion would limit the program evaluation to four criteria: 1) inefficient; 2) duplicative; 3) outdated; and 4) failed.
3. **Examine All Agencies and Programs.** While Rep. Brady's commission would subject all programs to review, the bill's author reportedly told lawmakers that he plans to amend the bill to exempt certain high-priority programs.² Yet all programs can benefit from basic accountability, efficiency, and effectiveness standards. Any program worth having is worth holding accountable.

Conclusion

Representatives Brady and Tiahrt should be commended for authoring bills to address government waste. Congress should make the necessary amendments to both bills in order to increase the likelihood that, if enacted, these commissions would have a significant impact on reducing federal spending. A government waste commission can provide substantial taxpayer savings when the successful elements of the BRAC commission are effectively utilized. With a bolder vision and some changes to the current legislation, Congress has the potential to pass legislation that actually delivers results on spending.

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2. Ralph Lindeman, "House Effort to Merge Sunset Bills Continues As Measures Head to Mark Up and Floor Vote," *BNA Daily Report for Executives*, July 20, 2006.