CATO HANDBOOK FOR CONGRESS

POLICY RECOMMENDATIONS FOR THE 108TH CONGRESS

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23. The Federal Budget

Congress should

- reduce discretionary spending from 7.1 percent of gross domestic product to 5 percent with program terminations, privatization, management reforms, and transfer of programs to the states (see proposed cuts in the Appendix to this chapter);
- reform Social Security by moving toward a system of individual savings accounts;
- reform Medicare and Medicaid to cut costs and increase efficiency; not add a prescription drug benefit to Medicare unless there is a full one-for-one cost reduction elsewhere in the program;
- establish a ''sunset'' commission to automatically review all federal programs on a rotating basis and propose major reforms and terminations;
- privatize all government-operated businesses, including Amtrak, the U.S. Postal Service, the Tennessee Valley Authority, and the four power marketing administrations;
- privatize activities in all federal agencies that are commercial in nature, such as air traffic control, marketing support for agriculture, loan and insurance programs for exporters, and research for the energy industry;
- sell excess asset holdings (land, buildings, and inventories) of federal departments such as Interior, Agriculture, and Defense; and
- support aggressive management reforms in the federal bureaucracy, including expanding authority to fire poorly performing workers.

Less Is More

The federal government will spend more than $2,100,000,000,000 in fiscal year 2003. After taking out the government's core functions of national defense and justice, it will still spend more than $1,700,000,000,000. That amounts to roughly $16,000 for every household in the United States. Clearly, the federal government has taken on a huge range of spending programs beyond its basic responsibilities.

Indeed, the government is so large that the activities of hundreds of federal agencies are beyond the knowledge and understanding of most citizens. The government has become too large even for our representatives in Congress to adequately oversee and control, as scandal after scandal attests. Congress has shown itself to be incapable of running a $2 trillion organization with an adequate degree of competence. For example, the General Accounting Office has not been able to certify as correct the federal government's financial statements five years in a row because of weak accounting controls and widespread mismeasurement of assets, liabilities, and costs.

Modernist architects told us that ''less is more'' in building design. The same is true in government design. Americans would receive more benefit from the federal government if its size and scope were greatly reduced and they instead received a limited range of much better quality services. The federal government is like a bloated conglomerate corporation that is involved in too many different schemes for the CEO to properly oversee. The government does too much and does few things very well. Reforms must begin to shed all noncore functions of the federal government so that Congress and the administration can focus on delivering high-quality basic services, such as national security.

Short-Term Budget Outlook

The culture of spending in Washington that caused the Democrats to lose control of Congress in 1994 has triumphed again under the Republicans. The spending virus has spread throughout Congress with few members showing immunity. The struggles of fiscal conservatives to bring reforms to federal spending in the mid-1990s have been lost.

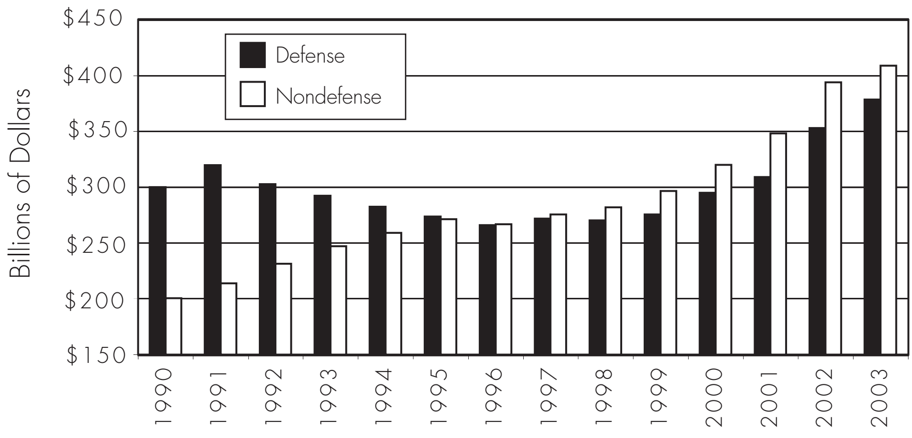
In 1994, there was a $203 billion deficit and red ink as far as the eye could see. The president's FY95 and FY96 budgets included no plans to balance federal finances. Ultimately, Congress forced the president's hand, and a plan to end the tide of red ink was passed. Spending constraint, a falling defense budget, and a strong economy produced the first budget surplus in 29 years in FY98.

But fiscal responsibility did not last long, and a gaping deficit appeared just four years later in FY02. Rapid discretionary spending growth averaging more than 7 percent annually between FY98 and FY02 busted the budget (Figure 23.1). The modest fiscal restraint shown in the mid-1990s evaporated, and no lasting lessons on spending discipline were learned by lawmakers.

One way to see how discretionary spending has ballooned is to compare current estimates for FY03 outlays with prior estimates of FY03 outlays. Actual FY03 outlays will be about $788 billion—that is a stunning $193 billion, or 32 percent, more than President Clinton's $595 billion proposal for FY03 in his FY99 budget. There has been a pattern of constant upward revisions in out-year spending in both the defense and nondefense budget categories (Figure 23.2).

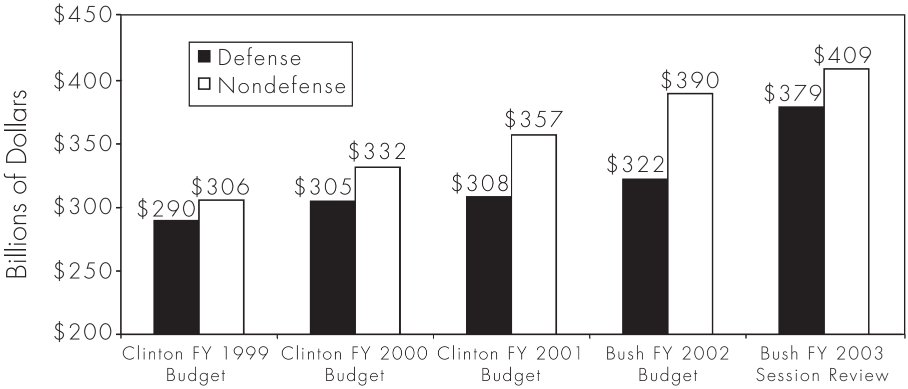
Each year, Congress and the administration up the ante on each other's spending plans. Administrations often try to get as much spending as they can for the next budget year but then low-ball the out-years to make the long-term budget plan seem ''fiscally responsible.'' President Bush has presided over huge increases in defense and nondefense discretionary outlays in his first two years (7.4 and 11.7 percent for defense, and 8.9 and 5.3 percent for nondefense, not including the emergency response fund). Yet the administration's July 2002 midsession review would have us believe that discretionary spending will be held to 3.1 percent annual growth from 2003 to 2007. Surely, the only real measure of fiscal responsi-

Figure 23.1
Discretionary Outlays: Defense and Nondefense



SOURCE: Office of Management and Budget, *Mid-Session Review*, July 2002. Includes emergency response fund.

Figure 23.2
Proposed Discretionary Outlays for FY03



SOURCE: Office of Management and Budget, *Mid-Session Review*, July 2002, and prior budgets of the U.S. government. FY03 midsession review data include emergency response fund.

bility is how much money is being spent right now, not promises of restraint sometime in the future.

It should be obvious to every member of Congress that discretionary spending growth anywhere near recent high rates is not sustainable. The best course would be an immediate hard freeze on discretionary spending followed by large cuts. That is necessary because of the deep fiscal hole that entitlements will dig as health care costs rise and baby boomers begin retiring in a few years. Ultimately, discretionary spending should be reduced from today's 7.1 percent of gross domestic product to no more than 5 percent (see Appendix to this chapter for recommended cuts).

Long-Term Budget Outlook

In the late 1990s, a number of factors lulled Congress into complacency about the need for spending control. First, government revenues expanded rapidly as the economic boom filled federal coffers with income and capital gains tax revenues. Those inflows allowed Congress to increase spending rapidly while still balancing the budget and appearing to be fiscally prudent. That boom in revenues has now ended.

Second, growth of spending on the three major entitlements (Social Security, Medicare, and Medicaid) slowed during the late 1990s. Average annual Social Security growth slowed from 5.4 percent (1991–96) to 4.3 percent (1996–2001); Medicare growth slowed from 10.9 percent to 4.5 percent; and Medicaid growth slowed from 11.9 percent to 7.2 percent.

That slowdown has come to an end. Medicaid is expected to grow at an average annual rate of 8.4 percent during the next decade. For Social Security and Medicare, recent budget growth slowdowns are a brief respite before the spending explosion expected when baby boomers begin retiring in 2008.

All in all, Congressional Budget Office projections show that, under current law, spending on Social Security, Medicare, and Medicaid will increase from 8.3 percent of GDP in 2002 to 15.6 percent by 2040. That 7.3 percentage point increase would be equivalent to about a $750 billion per year tax increase today. By comparison, President Bush's tax rebates saved taxpayers just $40 billion in 2001. Therefore, unless entitlements are reformed, taxpayers will face an added burden rising to almost 20 times the size of the benefit received from the tax rebate in 2001.

Even if one assumed that all other government programs got no larger relative to GDP, the three main entitlements would push federal spending up from 20 percent of GDP today to 27 percent by 2040. State and local governments add about 10 percentage points to that burden, for a total of at least 37 percent of GDP by 2040. Thus without major entitlement reforms, the United States will have a government about as big as many European countries do today. And that outlook will be very optimistic if discretionary spending continues growing at the irresponsible 7 percent rate it has averaged since 1998.

If Americans want to limit the federal government to its current share of GDP, let alone shrink it, then entitlement programs must be thoroughly overhauled and Congress must begin shedding noncore government functions. If reforms are not made, the uniqueness of the United States as a limited-government country will be gone.

At the end of this chapter is a list of $309 billion in proposed spending cuts. These programs should be either terminated immediately, privatized, or transferred to state and local responsibility. It would be a major government reform if the whole list of cuts were made. But even that annual saving of $309 billion represents just 3 percent of GDP. Given that the three main entitlements are projected to impose at least a 7 percentage point cost increase on future taxpayers, these cuts must be paired with major entitlement reforms to solve tomorrow's huge budget problems.

Reform the Entitlements

A special analysis by the CBO in July 2000 found that federal spending on the elderly (through Social Security, Medicare, and other programs) will rise from 35 percent of total federal spending in 2000 to 43 percent by 2010, under baseline assumptions. Spending on the elderly will continue rising rapidly and surpass half the budget by about 2020.

Despite these dramatic cost increases under current law, Congress continues to consider expensive add-ons to programs for the elderly. Most recently, lawmakers have pushed for costly Medicare prescription drug plans. But adding new burdens for taxpayers to pay for programs for the elderly is very unfair. The elderly have had their whole lives to save for their own retirement, yet the massive programs already provided for them create growing tax hurdles for young families trying to make ends meet and save for their own retirement. Victor Fuchs of Stanford University has found that 56 percent of the broadly measured income of the elderly now comes from transfers from the young.

Medicare prescription drug plans will cost hundreds of billions of dollars. In the 107th Congress, the 10-year cost of bills introduced in the Senate ranged from $295 billion for the Hagel-Ensign bill to $594 billion for the Graham-Miller bill. Of course, new programs usually end up costing much more than original estimates. Expanding Medicare when programs for the elderly are already going to blast a huge hole in future budgets is like ''putting more people aboard the Titanic,'' as Sen. Phil Gramm (R-Tex.) observed. A prescription drug plan should be a nonstarter unless the package includes a full one-for-one offset in other Medicare costs.

Unfortunately, it seems difficult to have a sober, nonpartisan debate about entitlement reforms. Even modest reform plans by Democrats, such as Senator Breaux's Medicare plan in the late 1990s, are shot down. Nonetheless, the budgetary and economic necessity of reform is compelling, and ultimately reformers will prevail.

The key piece of the reform solution for Social Security and Medicare is prefunding of future benefits. The only sensible way to do that is through individual savings accounts. Prefunding will allow individuals to begin planning now to help pay for their own retirement, so as to avoid imposing crushing tax hikes on their children and grandchildren. (Medicare reforms are discussed in Chapter 26; Social Security reforms are discussed in Chapter 25.)

Reform Federal Management

A major fiscal theme of the Bush administration is reforming government management. The administration has begun grading federal programs and proposes to move funding away from ''ineffective'' activities. In addition, each federal agency is being scored with green, yellow, and red grades for performance on various parameters. Of 130 grades given in the baseline scores for 2001, 110 were red for ''unsatisfactory.'' By mid-2002, the administration reported that there were still 109 red grades.

It is to be hoped that these efforts are the start of a major overhaul of the federal bureaucracy. As noted, the federal government has failed five years in a row to produce comprehensive financial statements that could be certified by the General Accounting Office. The sloppiest bookkeeper is probably the $370 billion Defense Department. The GAO has found that the department has ''serious financial management problems that are pervasive, complex, longstanding, and deeply rooted in virtually all business operations throughout the department.'' The Pentagon loses track of assets, mismanages and wastes inventory, deliberately low-balls project costs, and makes billions of dollars of erroneous contractor payments.

New ''carrots'' should be used to get better performance from federal agencies. For example, pay raises should be contingent on passing grades on the president's new management scorecard. Managers in agencies that receive red grades for ''unsatisfactory'' should not receive pay raises until they fix problems.

In addition, new ''sticks'' need to be introduced to the bureaucracy. In the private sector, everyone from CEOs to mailroom clerks faces firing for bad performance. The *Washington Post* reported on August 18, 2002, that 37 percent of departing CEOs of the largest U.S. companies in recent years were fired. By contrast, data from the Office of Personnel Management show that the federal firing rate is stunningly low at just 1 in 4,000 per year. For example, the State Department has fired only 6 employees during the past 18 years. Yet it is hard to believe that there were not more poor performers deserving firing in this 29,000-person agency. Indeed, the State Department has been known for mishandling secret documents, allowing unauthorized people to wander its hallways, and letting Russian spies bug a meeting room down the hall from the former secretary's office.

Americans deserve better performance than that, and Congress is supposed to ensure it through executive branch oversight. But the reality is that the government's size and scope have become so vast that it is probably impossible for Congress to adequately safeguard taxpayer funds. The solution is to greatly cut the size of the government so it can focus on its core mission of national security. Both Ronald Reagan and the Republicans who stormed in to take control of Congress in 1994 sought major program terminations. So far, that understanding of real reform has not sunk into the Bush administration and has been absent from Congress for years. Lawmakers need to regain their commitment to a federal government that works—that means cutting out all the stuff that the government should not be doing and overhauling management of the rest.

Devolve Federal Programs to the States

Congress and the Bush administration seem to have accepted the idea that taxing citizens to send money to Washington and then routing funds back to state officials provides Americans with good government. That is a triumph of hope over experience. Experience shows that when the federal government gains more power over state functions, it results in bureaucratic waste and new layers of regulations for states to deal with.

Greater federal fiscal power also results in unfair redistributions of taxpayer money among the states on the basis of political pull rather than objective need. Some states get swindled by the federal money-go-round year after year in terms of federal taxes paid versus federal spending received. By comparing taxes paid by residents of each state with Census Bureau data on federal spending by state (which include everything from defense to transportation programs), you find that states such as New Jersey, Connecticut, and New Hampshire routinely get less than 75 cents on every dollar sent to Washington.

The federal redistribution of citizens' money gets worse as the federal government amasses more power over state and local functions, such as transportation and education. Aside from the unfairness and inefficiency involved in channeling money through Washington, it is clear that, if the government is spending its time worrying about potholes in Pittsburgh and SAT scores in St. Louis, then it is not devoting full attention to national security and other crucial concerns.

We have seen the most aggressive recent federal expansion of spending on education, which was traditionally a local function. In 1995, the House Republicans had slated the Department of Education for closing. Under President Clinton, education outlays rose fairly modestly from $30 billion in FY93 to $36 billion in FY01. But under President Bush, the department's outlays skyrocketed to $56 billion in FY03.

Much of the Department of Transportation's activities are properly state and private-sector responsibilities. It makes no sense to collect gasoline taxes from citizens, send them to Washington, then dole the money back to the states—minus the costs of the 100,000-plus-person DOT bureaucracy and its meddlesome rules. For example, federal funds come with

Davis-Bacon strings attached requiring union-level wages on highway projects. Moreover, Congress uses the DOT budget to deliver pork-barrel projects of dubious value. The federal government should end the federal gasoline tax and cease its highway, road, and mass transit spending functions.

In FY03, the federal government will pay out about $376 billion in grants in aid to state and local governments for health care, transportation, housing, education, and other programs. Congress should begin transferring these programs back to the states and reduce federal taxes by an equal amount. State and local governments are in a much better position to determine whether citizens are receiving value for their tax money on roads, schools, and other items. By federalizing such spending we are asking the U.S. Congress to do the impossible—to accurately balance in a neutral and selfless way the competing needs of a massive and diverse country of 280 million individuals.

Privatize Federal Assets

The federal government owns about one-third of the land in the United States and continues to accumulate more holdings. Yet only a fraction of federal land is of environmental significance, and the government has proven itself to be a poor land custodian. The process of federalizing the nation's land should be reversed by identifying low-priority holdings to sell back to citizens.

In addition to excess land, the federal government owns billions of dollars worth of other excess assets, including mineral stockpiles and buildings. For example, the Department of Defense operates large numbers of excess supply and maintenance depots, training facilities, medical facilities, research labs, and other installations that should be closed. In a positive move, DoD has begun to dispose of 80 million square feet of excess buildings it owns.

The federal government should also sell the operating businesses that it owns, including the U.S. Postal Service, Amtrak, electric utilities, and other agencies. Privatization has swept the world as governments abroad have recognized the superiority of private competitive markets. If a private postal system works in Germany and private air traffic control works in Canada, those industries ought to be private here, too (for further information, see Chapter 32).

Establish a Federal Sunset Commission

To structure the process of terminating federal agencies, Congress should establish a federal ‘‘sunset’’ commission. Sunsetting is a process of automatically terminating government agencies and programs after a period of time unless they are specifically reauthorized. Sunset legislation was introduced in the 107th Congress by Rep. Kevin Brady (R-Tex.). A sunset commission would review federal programs on a rotating basis and recommend major overhauls, privatization, or elimination.

Since the 1970s, numerous state governments have adopted the sunset process, and it is currently used in about 16 states. In the late 1970s, there was strong bipartisan support to pass a federal sunset law introduced by Sen. Edmund Muskie (D-Maine) that would have sunset most federal programs every 10 years. Supporters at the time ranged from Jesse Helms (R-N.C.) to Edward Kennedy (D-Mass.). Although it gained strong support in the Senate, the legislative effort failed in the House.

Today, sunsetting is needed more than ever. There is no structured method for reforming or terminating agencies when they no longer serve a public need or when better private alternatives become available. As a result, government agencies rarely disappear. For example, the Rural Utilities Service (formerly the Rural Electrification Administration) was created in the 1930s to bring electricity to rural homes. Virtually all American homes have had electricity for 20 years or more, yet the agency still survives.

A sunsetting process could help eliminate such agencies and add teeth to the Bush administration’s efforts to move funds away from poorly performing programs. Programs that the administration grades as ‘‘ineffective’’ five years in a row could be automatically reviewed by the sunset commission and subject to termination. An alternative would be a new congressional procedure requiring a stand-alone vote on terminating an agency or program if the administration grades it as ineffective for five years.

Recent corporate scandals have illustrated that poor management and financial malfeasance can occur in any organization in society. But the scandals also show that private markets have mechanisms to correct excesses and rule breaking. In the private sector, poor performers are weeded out, executives and managers are sacked, and resources are shifted to better-run competitors. By contrast, the executive branch of government has no mechanism for creating the renewal that all organizations need in our fast-changing modern society. A federal sunset law would help to create renewal and reform in government.

Other Budget Process Reforms

Congress has done little to reform the budget rules that skew political decisionmaking in favor of ever-larger outlays. Now that the federal budget again has huge deficits, it is even more clear that lasting budget process reforms are needed. There has been much debate about which particular reforms would best restrain spending. But there is little to lose by experimenting with different budget control mechanisms, and any or all of the following reforms should be pursued.

Discretionary Spending Caps with a Freeze or Cut on Outlays

Caps on discretionary spending enacted in 1990, as extended, expired at the end of FY02. The caps, while far from perfect, did play a role in bringing discipline to spending in the 1990s. The caps should be extended and frozen at today's nominal total for discretionary outlays, or, even better, outlays should be put on a downward glide path. At the same time, rules on such items as emergency spending and advance appropriations need to be tightened to prevent Congress from bypassing the caps.

Tax and Expenditure Limitation

The federal government should implement a cap on overall annual budget growth, in the manner of the 26 states that have either statutory or constitutional limits on tax revenue or spending growth. Colorado's Taxpayer Bill of Rights is probably the most successful budget cap. It provides an automatic tax refund to citizens when tax revenues grow faster than the sum of inflation plus population growth. Such limits prevent governments from overexpanding during boom years, thus making it easier to balance the budget during recessions.

Balanced-Budget Amendment

Fiscal conservatives have long sought a balanced-budget amendment (BBA) to the U.S. Constitution. The return to large deficits shows that, once again, Congress cannot control its spending appetite and that further constraints are needed. However, there is a concern that a BBA could cause politicians to raise taxes during economic slowdowns to balance the budget. For that reason, a BBA should be paired with a supermajority tax limitation amendment that makes it more difficult for Congress to raise taxes.

Supermajority Tax Limitation Amendment

With or without a BBA in place, a supermajority requirement for tax increases makes sense. Under a supermajority tax limitation, any tax increase would require a two-thirds vote in the House and Senate for passage. When the economy grows, federal tax revenues tend to grow faster than incomes—even without legislated increases. Given this automatic upward tax bias, taxpayers should be provided with the extra protection of such a limitation against any legislated tax increases. (Note that a supermajority tax limitation amendment or the BBA would need a two-thirds vote in Congress and ratification by three-quarters of the states to become law.)

Reject Spending Programs as Unconstitutional

The U.S. Constitution confines federal spending authority to a few limited areas. Article I, section 8, allows for spending mainly on basic functions, such as establishing courts, punishing crime, and maintaining an army and navy. The General Welfare Clause in section 8 is said to provide a justification for much of today's $2.1 trillion in federal spending. But much of federal spending is not for ''general welfare'' at all. Rather, it is for the benefit of particular groups and individuals. For example, federal export loans of more than $1 billion to Enron, and other corporate welfare spending, are aimed at narrow interests, not the general interest. Members of Congress take an oath to uphold the Constitution. They should start taking that oath seriously. When a dubious program comes before them, they should ask whether there is proper constitutional authority for it given the limited role that is reserved for federal spending power.

Conclusion: Time for Bold Reforms

Bold fiscal reforms need to be pursued at both ends of Pennsylvania Avenue. The administration is under the shortsighted illusion that it can have bigger government in the selected areas it wants, such as defense, agriculture, education, and Medicare prescription drugs, but have tight limits on spending elsewhere. But that strategy leads to larger government everywhere because Congress is spurred to demand higher spending for all its favorite programs. Both Congress and the administration must end their shortsighted jostling for more taxpayer cash. Not only is the government running huge deficits again, but the looming explosion in entitlement costs demands that all aspects of the federal spending empire be overhauled.

Appendix: Proposed Program Terminations, Privatizations, and Transfers to the States (FY02 outlays in $ millions)

Department of Agriculture	
Economic Research Service	$70
National Agricultural Statistics Service	$118
Agricultural Research Service	$1,104
Cooperative State Research, Educ., and Extension Serv.	$1,069
Agricultural Marketing Service	$770
Risk Management Agency	$2,978
Farm Services Agency (subsidies, loans, insurance)	$23,732
Rural Development	$946
Rural Housing Service	$287
Rural Business Cooperative Service	$76
Rural Utilities Service	$106
Foreign Agricultural Service	$1,167
Food and Nutrition Services	$38,003
Land Acquisition Programs	$101
Forest Service, State and Private Forestry	$441
Total Department of Agriculture	$70,968
Department of Commerce	
Economic Development Administration	$493
International Trade Administration	$342
Export Administration	$80
Minority Business Development Agency	$25
National Ocean Service	$435
National Marine Fisheries Service	$675
National Environmental Satellite, Data, & Info. Serv.	$147
Advanced Technology Program	$187
Manufacturing Extension Program	$111
Other Nat. Inst. of Standards & Tech. Programs	$361
National Telecommunications & Info. Admin.	$112
Total Department of Commerce	$2,968
Department of Defense (see Chapter 48)	

Department of Education	
Total—terminate, privatize, or transfer to states all programs	$47,587
Department of Energy	
General Science, Research, and Development	$3,240
Energy Supply	$695
Fossil Energy, Research and Development	$544
Energy Conservation	$831
Strategic Petroleum Reserve	$166
Energy Information Administration	$80
Clean Coal Technology	$75
Power Marketing Administration subsidies	$145
FreedomCAR	$150
Total Department of Energy	$5,926
Department of Health and Human Services	
Indian Health Service	$2,874
Substance Abuse and Mental Health Serv. Admin.	$2,918
Agency for Health Care Research and Quality	$91
Temporary Assistance for Needy Families	$18,334
Payments to States for Family Support Programs	$3,558
Low-Income Home Energy Assistance	$1,831
Promoting Safe and Stable Families	$300
Child Care Entitlements to States	$2,536
Block Grants to States for Child Care and Dev.	$1,917
Social Services Block Grant	$1,803
Payments to States for Foster Care and Adoption	$6,098
Violent Crime Reduction Programs	$25
Administration on Aging	$1,137
Total Department of Health and Human Services	$43,422
Department of Housing and Urban Development	
Total—terminate, privatize, or transfer to states all programs	$30,948
Department of the Interior	
Bureau of Indian Affairs	$2,217
Bureau of Reclamation	$999
U.S. Geological Survey	$923
Sport Fish Restoration Fund	$312
Land Acquisition Programs	$271
Total Department of the Interior	$4,722

Department of Justice	
Juvenile Justice Programs	$208
Community Oriented Policing Services	$1,057
State and Local Law Enforcement Assistance	$1,722
Weed and Seed Program	$41
Drug Enforcement Administration	$1,537
Interagency Crime and Drug Enforcement	$335
Total Department of Justice	$4,900
Department of Labor	
Training & Employment Services	$5,860
Welfare to Work	$491
Community Service Employ. for Older Americans	$469
Trade Adjustment Assistance	$415
Total Department of Labor	$7,235
Department of State/International Assistance Programs	
United Nations Organizations	$595
United Nations Peacekeeping Activities	$1,565
United Nations Arrearage Payments	$826
Inter-American Organizations	$126
North Atlantic Treaty Organization	$42
Org. for Economic Cooperation & Dev.	$49
Migration and Refugee Assistance	$762
Int. Narcotics Control & Law Enforcement	$350
Andean Counterdrug Initiative	$409
Economic Support Fund	$2,955
Foreign Military Financing Program	$4,237
Total Department of State/International Assistance Programs	$11,916
Department of Transportation	
Federal Railroad Administration	$1,089
Federal Transit Administration	$6,112
Grants-in-Aid for Airports	$2,801
Essential Air Service program	$53
Air Traffic Control operations	$5,792
Maritime Administration	$651
Federal Highway Administration	$28,729
Total Department of Transportation	$45,227

Department of the Treasury	
Customs Service, Air and Marine Interdiction	$198
Community Development Financial Institutions	$115
Interagency Crime and Drug Enforce. Task Force	$92
Total Department of the Treasury	$405
Department of Veterans Affairs	
V.A. Health Care Facilities Construction	$398
Total Department of Veterans Affairs	$398
Other Agencies and Activities	
Agency for International Development	$3,390
Assistance for Eastern Europe	$402
Assistance for Former Soviet Union	$484
African Development Fund	$57
Appalachian Regional Commission	$109
Commission on Civil Rights	$9
Corporation for National and Community Service	$433
Corporation for Public Broadcasting	$375
Corps of Engineers	$4,975
Equal Employment Opportunity Commission	$331
Cargo Preference Program	$673
Export-Import Bank	$1,044
Federal Drug Control Program	$457
Federal Labor Relations Board	$29
International Assistance Programs (multilateral)	$2,089
Legal Services Corporation	$329
NASA	$14,484
National Endowment for the Arts	$113
National Endowment for the Humanities	$125
National Labor Relations Board	$238
Neighborhood Reinvestment Corp.	$105
Overseas Private Investment Corporation	$207
Peace Corps	$284
Selective Service System	$25
Small Business Administration	$1,439
Trade and Development Agency	$55
Total Other Agencies and Activities	$32,261
Total Proposed Budget Savings	$308,883

Suggested Readings

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