

TAXPAYERS RIGHT-TO-KNOW ACT

FEBRUARY 21, 2014.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ISSA, from the Committee on Oversight and Government Reform, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 1423]

[Including cost estimate of the Congressional Budget Office]

The Committee on Oversight and Government Reform, to whom was referred the bill (H.R. 1423) to provide taxpayers with an annual report disclosing the cost and performance of Government programs and areas of duplication among them, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment (stated in terms of the page and line numbers of the introduced bill) is as follows:

Page 3, line 7, insert after “funds” the following: “, including any finding of duplication or overlap identified by internal review, an Inspector General, the Government Accountability Office, or other report to the agency about the program”.

COMMITTEE STATEMENT AND VIEWS

PURPOSE AND SUMMARY

H.R. 1423, the Taxpayers Right-To-Know Act, is designed to significantly reduce waste, misspending, and inefficiency throughout the federal government. The federal government wastes billions of dollars annually by operating programs that have duplicative, overlapping, or fragmented missions. Some experts estimate the annual cost of government duplication at \$100 billion or more.

The Taxpayers Right-To-Know Act provides information on government programs, spending, and duplication. The bill establishes several reporting requirements for agencies to better identify inefficiencies. Each agency is required to catalogue the programs it oversees, providing information on program cost and costs attributable to administrative overhead. Each agency is also required to evaluate its programs, collectively, for duplication and overlap.

Agencies are further required to make recommendations to consolidate duplicative or overlapping programs, eliminate waste and inefficiency, and terminate unnecessary, outdated, or low priority programs. The Office of Management and Budget (OMB) is required to issue an annual report identifying duplication of programs across agencies, and to provide consolidation recommendations. All the reports and recommendations required by the bill are to be made available to the public in an accessible online format.

BACKGROUND AND NEED FOR LEGISLATION

Now more than ever, agencies must do a better job of managing their programs and identifying areas where taxpayer dollars are not being used efficiently. The Taxpayers Right-To-Know Act provides the American people with vital information on government spending and program management. Access to this information will help reduce duplication and ensure that the government is providing services in an efficient manner.

In 2010, Senator Coburn added to a bill raising the federal debt limit an amendment requiring the U.S. Government Accountability Office (GAO) to report on duplication and overlap across the federal government. Consequently, GAO now submits an annual report to Congress identifying specific areas of duplication and ways to realize cost savings.

GAO identified 81 areas of duplication and potential cost savings in its first report, issued in 2011. In the most recent report, GAO found 51 new areas of waste and duplication across the federal government, identifying billions of dollars of waste that could easily be prevented. While GAO's recommendations are a start toward making government more efficient and cost effective, government agencies are uniquely positioned to also assume responsibility for identifying unnecessary duplication. It is the federal agencies that actually administer programs on a day-to-day basis. This level of inti-

macy with individual programs and their stakeholders provides senior civil servants at each agency with specialized knowledge that should be brought to bear in the effort to eliminate program duplication. GAO's first report was released in March 2011, and identified 34 areas of duplication, overlap, and fragmentation across government.¹ The report also highlighted 47 areas of potential cost savings.² In February 2012, GAO released its second report identifying 32 areas of duplication, overlap, and fragmentation of government programs, as well as 19 areas of cost savings.³ Unlike the first annual report, which contained areas previously highlighted by GAO, the second report contained new findings. GAO's third report, released in 2013, highlighted 31 new areas, including 17 instances of fragmentation, duplication, or overlap, and 14 areas of potential cost savings.⁴

The Oversight and Government Reform Committee has held hearings on each of GAO's reports on duplication. On March 3, 2011, the Full Committee held a hearing entitled, "Refuse of the Federal Spending Binge II: How U.S. Taxpayers are Paying Double for Failing Government Programs." In this hearing, the Committee discussed the 2011 GAO report, which identified 81 examples of duplication in government including programs related to tax benefits, military spending, food safety, economic development, and biological terror threats. One year later on February 28, 2012, the Full Committee reviewed the 2012 GAO report outlining continued duplication within the federal government at a hearing entitled, "Government 2.0: GAO Unveils New Duplicative Program Report." This report identified 51 additional areas of duplication including defense procurement, financial literacy, information technology investments, revenue collection and fraud detection in key entitlement programs. On April 9, 2013, the Committee held a Full Committee hearing entitled "Reducing Waste in Government: Addressing GAO's 2013 Report on Duplicative Federal Programs." The hearing focused on GAO's third report, which identified 31 new areas and also evaluated actions taken to address duplicative programs identified in previous reports. The Committee also held two subcommittee hearings about government duplication with narrower breadth: one hearing concerned duplication in social welfare programs, and another concerned duplicative information technology investments.

LEGISLATIVE HISTORY

In the 112th Congress, the Taxpayers Right-To-Know Act was introduced by Representative James Lankford as H.R. 3609 on December 8, 2011. The bill was referred to the Oversight and Government Reform Committee. A companion bill, S. 1957, was introduced by Senator Tom Coburn on December 7, 2011. S. 1957 was referred to the Senate Homeland Security and Governmental Affairs Com-

¹ Government Accountability Office. *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, March 2011, GAO-11-318SP. Available at: <http://www.gao.gov/assets/320/315920.pdf>.

² *Id.*

³ Government Accountability Office, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, February 28, 2012, GAO-12-342SP. Available at: <http://www.gao.gov/products/GAO-12-342SP>.

⁴ GAO briefing to the U.S. House Committee on Oversight and Government Reform, April 2, 2013.

mittee but no further action was taken. In the 113th Congress, Representative Lankford reintroduced the bill as H.R. 1423. The bill was referred to the Oversight and Government Reform Committee and was subsequently adopted by the Committee on July 24, 2013.

SECTION-BY-SECTION

Section 1. Short title

This section is the short title of the bill, the “Taxpayers Right-To-Know Act.”

Section 2. Agency requirements relating to annual report on the cost and performance of government programs and areas of duplication among programs

This section of the bill requires agencies to provide information on the programs they administer and on any duplication or overlap among such programs. For every program it administers, each agency must identify and describe the program, its cost, the number of full-time equivalent employees responsible for its administration, and the estimated number of people served. Each agency is further directed to identify and report on any programs with duplicative or overlapping functions.

Each agency is required to post the aforementioned information annually on a publicly accessible page on its website—accessible via a link on the agency’s homepage. For each of its programs, each agency must also post the most recent performance reviews, and report on any expired grant funding. For susceptible programs, each agency must also provide an estimate of the volume of improper payments made.

In addition to reporting on programs and duplication, agencies are directed to provide recommendations to consolidate duplicative or overlapping programs, eliminate waste and inefficiency, and terminate programs that are deemed unnecessary, outdated, or low priority.

Section 3. Office of Management and Budget requirements relating to annual report on the cost and performance of government programs and areas of duplication among programs

This section requires the Director of the Office of Management and Budget (OMB) to publish an annual report identifying programs across government that have duplicative or overlapping services. The report will provide recommendations to consolidate duplicative and overlapping programs, eliminate waste, and terminate unnecessary, outdated, or low priority programs.

Section 4. Government accountability office requirements relating to identification, consolidation, and elimination of duplicative government programs

This section amends Section 21 of the Statutory Pay-As-You-Go Act of 2010 (31 U.S.C. 712 note) by adding a subsection “(b)” requiring that the Comptroller General maintain a publicly available website, updated at least annually, that tracks the status of responses by Departments to Congress to suggested actions that the

Comptroller General has previously identified in annual reports under subsection (a) of Section 21.

Section 5. Definitions

The section defines: administrative costs; services; agency; performance indicator, performance goal, output measure; and programs—as established by statute and OMB guidance.

Section 6. Classified information

This section specifies that the Act does not require the disclosure of classified information.

Section 7. Regulations and implementation

This section requires the OMB Director to prescribe regulations within 120 days of enactment in order to implement the Taxpayers Right-To-Know Act at the inception of the first full fiscal year after the date of enactment.

EXPLANATION OF AMENDMENTS

Amendment Offered by Ms. Speier—Ms. Speier offered an amendment requiring agencies to report on their programs any findings of duplication or overlap identified by internal review, an Inspector General, the Government Accountability Office, or other report to the agency. The amendment was accepted by voice vote.

COMMITTEE CONSIDERATION

On July 24, 2013, the Committee met in open session and ordered reported favorably the bill, H.R. 1423, as amended, by voice vote, a quorum being present.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill provides information on government programs, spending, and duplication. As such this bill does not relate to employment or access to public services and accommodations.

Legislative branch employees and their families, to the extent that they are otherwise eligible for the benefits provided by this legislation, have equal access to its benefits.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 1423 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that enacting H.R. 1423 does not direct the completion of any specific rule makings within the meaning of 5 U.S.C. 551.

FEDERAL ADVISORY COMMITTEE ACT

The Committee finds that the legislation does not establish or authorize the establishment of an advisory committee within the definition of 5 U.S.C. App., Section 5(b).

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandate Reform Act, P.L. 104–4) requires a statement as to whether the provisions of the reported include unfunded mandates. In compliance with this requirement the Committee has received a letter from the Congressional Budget Office included herein.

EARMARK IDENTIFICATION

H.R. 1423 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 1423. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 1423 from the Director of Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 22, 2013.

Hon. DARRELL ISSA,
Chairman, Committee on Oversight and Government Reform,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1423, the Taxpayers Right-To-Know Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 1423—Taxpayers Right-To-Know Act

Summary: H.R. 1423 would require government agencies to identify and describe each program they administer, the cost to administer those programs, expenditures for services, the number of program beneficiaries, and the number of federal employees and contract staff involved. Under the bill, that information would be posted on each agency's website. H.R. 1423 would require the Office of Management and Budget (OMB) to submit to the Congress an annual report that identifies duplicative federal programs. Finally, the Government Accountability Office (GAO) would be required to maintain and update a database on duplicative programs.

Based on information from several agencies, CBO estimates that implementing H.R. 1423 would cost around \$100 million over the 2014–2018 period, assuming appropriation of the necessary amounts. Enacting the bill could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would be negligible. Enacting H.R. 1423 would not affect revenues.

H.R. 1423 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1423 is shown in the following table. The costs of this legislation fall within all budget functions that include spending on administrative activities.

	By fiscal year, in millions of dollars—					
	2014	2015	2016	2017	2018	2014–2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	30	30	20	10	10	100
Estimated Outlays	30	30	20	10	10	100

Basis of estimate: For this estimate, CBO assumes that the bill will be enacted near the end of 2013, that the necessary amounts will be appropriated each year, and that spending will follow historical patterns for federal salaries and expenses.

Under current law, agencies regularly produce information on program management, budgets, strategic plans, and annual performance. A recent amendment to the Government Performance and Results Act (GPRA) will require agencies to describe every program they administer. Consequently, CBO expects that some of the provisions in H.R. 1423 would codify or only slightly modify current requirements.

However, the legislation also would require agencies to report the total administrative costs and the total costs of contract services associated with each federal program. Currently, the Catalog of Federal Domestic Assistance (CFDA) lists more than 2,200 programs, projects, services, and activities that provide assistance or benefits to the public.

H.R. 1423 would apply to the CFDA list of programs as well as any other government service, process, grant, contract, cooperative expense, compact, loan, lease, or agency guidance. In addition, the legislation would require OMB and executive-branch agencies to prepare reports that identify federal programs with duplicative overlapping missions, services, and allowable uses of funds. Based on information from OMB and selected agencies about the costs to implement reporting requirements in GPRA and the American Recovery and Reinvestment Act of 2009, CBO estimates that assembling such information at a high level of detail would cost around \$100 million over the 2014–2018 period. That amount includes negligible amounts for GAO to maintain a database of duplicative federal programs.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting H.R. 1423 could affect direct spending by agencies not funded through the appropriation process, but CBO estimates that any change in net spending would not be significant in any year. Enacting H.R. 1423 would not affect revenues.

Intergovernmental and private-sector impact: H.R. 1423 contains no intergovernmental or private-sector mandates as defined in UMRA. Any costs to state and local governments would result from complying with conditions of assistance.

Estimate prepared by: Federal Costs: Matthew Pickford; Impact on State, Local, and Tribal Governments: Elizabeth Cove Delisle; Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in *italic* and existing law in which no change is proposed is shown in *roman*):

STATUTORY PAY-AS-YOU-GO ACT OF 2010

* * * * *

TITLE II—ELIMINATION OF DUPLICATIVE AND WASTEFUL SPENDING

SEC. 21. IDENTIFICATION, CONSOLIDATION, AND ELIMINATION OF DUPLICATIVE GOVERNMENT PROGRAMS.

(a) The Comptroller General of the Government Accountability Office shall conduct routine investigations to identify programs, agencies, offices, and initiatives with duplicative goals and activities within Departments and governmentwide and report annually to Congress on the findings, including the cost of such duplication and with recommendations for consolidation and elimination to reduce duplication identifying specific rescissions.

(b) *The Comptroller General shall maintain and provide regular updates, on not less than an annual basis to a publicly available website that tracks the status of responses by Departments and the Congress to suggested actions that the Comptroller General has previously identified in annual reports under subsection (a). The status of these suggested actions shall be tracked for an appropriate period to be determined by the Comptroller General. The requirements of this subsection shall apply during the effective period of subsection (a).*

ADDITIONAL VIEWS

H.R. 1423 includes duplicative reporting requirements that will place an unnecessary burden on agencies. It would require agencies to report a significant amount of information which would require substantial agency resources, but it would not authorize any additional funding to assist with agency compliance.

The Congressional Research Service had identified multiple areas of potential overlap and duplication between the Taxpayers Right-To-Know Act and current statutory requirements. For example, although the bill would require agencies to report information on improper payments made by the agency, the Improper Payments Information Act of 2002 already requires agencies to report information on their improper payments. The bill also may duplicate reporting requirements in the GPRA Modernization Act of 2010.

Section 5 of the bill would include in its definition of “agency” legislative branch offices other than the Government Accountability Office. The bill would authorize the Office of Management and Budget to issue implementing regulations. Therefore, the Congressional Research Service found that “the result would be to imbue an executive branch agency with the authority to bind, through regulation, the actions of a significant number of legislative entities, including, perhaps, many internal congressional offices that may be considered integral to the legislative process.”

One improvement in H.R. 1423 would be its requirement for agencies to report the number of full-time positions that are paid through a grant or contract or the subaward of a grant or contract.

I hope that before this bill is brought to the House floor that Chairmen Issa and Lankford, the sponsors of the bill, will address concerns raised by Minority Members of the Committee regarding overlap and duplication with existing law.

ELIJAH E. CUMMINGS.

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