



INDEPENDENT AGENCIES

Over the years, a large number of independent federal agencies, foundations and commissions have been created to address a wide variety of issues. Many have outlived their usefulness and could be eliminated or consolidated with other existing programs.

Legal Services Corporation (LSC). LSC is a Nixon-era program established to provide federal funding to States for legal services for the poor. Every year it provides roughly \$400 million to 136 legal services organizations (“grantees”), which then use the money to pay for legal aid to those within 125% of the poverty line.¹ Unfortunately, poor management and absentee oversight officials have failed to police the program, resulting in funds being wasted or used for corrupt purposes. As recently as 2006, top LSC officials were chastised for spending lavishly on a ritzy Georgetown headquarters, as well as on trips to expensive hotels, including in Puerto Rico.² In June 2010, the Government Accountability Office found significant “deficiencies” in the grant application process that led to LSC using “incomplete and inaccurate” information to make awards.³ GAO also blasted the agency for failing to use even basic controls to “ensure integrity over information,” and for failing to implement repeated calls for improvement.⁴

At the same time, LSC grantees have faced a series of fraud and corruption problems that raise questions about whether the money is always used to benefit the poor. In 2010, the Department of Justice brought three major fraud cases against LSC grantees, with a fourth the year prior.⁵ In one of the most significant, Bennie King with the Maryland Legal Aid Bureau was indicted for systematically stealing \$1.1 million in LSC funds through a massive kickback scheme with vendors.⁶

¹ Website of the Legal Services Corporation, “Legal Services Corporation: Budget Request, Fiscal Year 2012,” http://www.lsc.gov/pdfs/budget_request_fy_2012.pdf.

² “Legal aid program for poor has expensive tastes,” *Associated Press*, August 14, 2006, http://www.msnbc.msn.com/id/14348749/ns/us_news-life/t/legal-aid-program-poor-has-expensive-tastes/.

³ Government Accountability Office, “Legal Services Corporation: Improvements Needed in Controls over Grant Awards and Grantee Program Effectiveness,” June 2010, GAO-10-540, <http://www.gao.gov/new.items/d10540.pdf>.

⁴ Government Accountability Office, “Legal Services Corporation: Improvements Needed in Controls over Grant Awards and Grantee Program Effectiveness,” June 2010, GAO-10-540, <http://www.gao.gov/new.items/d10540.pdf>.

⁵ Solomon, John, “Federal legal aid vulnerable to fraud, questions of conflicts and intimidation,” *iWatch News (Center for Public Integrity)*, July 14, 2010, <http://www.iwatchnews.org/2010/07/14/2617/federal-legal-aid-vulnerable-fraud-questions-conflicts-and-intimidation>.

⁶ Federal Bureau of Investigation, Press Release, “Former Finance Chief of Maryland Legal Aid Bureau Sentenced to Two and One-Half Years in Prison for Stealing More Than \$1 Million,” December 14, 2010, <http://www.fbi.gov/baltimore/press-releases/2010/ba121410.htm>.

Another grantee, the Capital Area Legal Services Corporation in Louisiana, was caught by the Inspector General in 2010 misusing \$318,000 in funds. Instead of spending the funds on legal services for the poor, the organization spent: \$11,000 on meals for the Executive Director; \$78,500 for a vehicle for the Executive Director; \$3,500 for travel; \$144,000 on fundraising consultants; and \$80,000 for building rent.⁷ The Executive Director made a habit of frequenting a private business club for meals, to which he would bring guests, but also dine alone on weekends.

Reduce Basic Field Grants by 50 Percent. This program, which is the primary source of funding provided by LSC, distributed \$394 million in 2010, and a 50 percent reduction would achieve \$197 million in savings starting in the first year.⁸ As program management has been called into question by oversight officials, reducing the amount of money distributed by LSC will free up the agency to conduct more rigorous review of its grantees.

Estimated Ten-Year Savings: \$2.19 billion

Corporation for National and Community Service (CNCS). CNCS is a federal agency created in 1993 to create for Americans “opportunities to give back to their communities and their nation.”⁹ Through a variety of programs, such as AmeriCorps, the National Senior Service Corps and the National Service Trust, CNCS aims to fund volunteer programs throughout America. They do so through competitive and formula grants to state and local organizations, which have included successful programs like Teach for America.¹⁰ Recent surveys, however, would indicate that Americans need very little help in finding ways to give of their time. The Bureau of Labor Statistics reports that in 2010, nearly 63 million Americans aged 16 and over spent approximately 52 hours apiece volunteering.¹¹ This even included more than 3.5 million Americans who were unemployed and looking for a job.¹²

Management issues, however, have consistently plagued the agency, raising serious questions about its effectiveness. A July 2010 report of the Government Accountability Office noted that CNCS performance measures “do not demonstrate results.”¹³ One glaring weakness consisted in the agency relying “heavily on self-reported performance data from its grantees,” which it does not rigorously review.¹⁴ Not surprisingly, funds have been wasted, as in Sacramento, California,

⁷ Office of Inspector General, Legal Services Corporation, Report on Selected Internal Controls, “Capital Area Legal Services Corporation,” RNO 619010, Report No. AU-10-04, September 2010, <http://www.oig.lsc.gov/reports/1004/619010CALSL.pdf>.

⁸ Website of the Legal Services Corporation, “Legal Services Corporation: Budget Request, Fiscal Year 2012,” http://www.lsc.gov/pdfs/budget_request_fy_2012.pdf.

⁹ Website of the Corporation for National and Community Service, “Our History and Legislation,” (accessed July 14, 2011), http://www.nationalservice.gov/about/role_impact/history.asp.

¹⁰ Website of the Corporation for National Community Service, News Release, “AmeriCorps Grants Will Place 50,000 Members Across U.S. to Drive Impact of Critical Challenges,” June 8, 2011, http://www.americorps.gov/about/newsroom/releases_detail.asp?tbl_pr_id=2004.

¹¹ Website of the Bureau of Labor Statistics, “Volunteering in the United States, 2010,” January 26, 2011, <http://www.bls.gov/news.release/volun.nr0.htm>.

¹² Website of the Bureau of Labor Statistics, “Volunteering in the United States, 2010,” January 26, 2011, <http://www.bls.gov/news.release/volun.nr0.htm>.

¹³ Government Accountability Office, “Performance Measurement: Better Alignment to Strategic Goals and Data Verification Needed at the Corporation for National and Community Service,” July 2010, GAO-10-886, <http://www.gao.gov/new.items/d10886.pdf>.

¹⁴ Government Accountability Office, “Performance Measurement: Better Alignment to Strategic Goals and Data Verification Needed at the Corporation for National and Community Service,” July 2010, GAO-10-886, <http://www.gao.gov/new.items/d10886.pdf>.

where the mayor “had used [more than \$800,000 in] AmeriCorps grants to pay volunteers to engage in school-board political activities, run personal errands for Johnson and even wash his car.”¹⁵ Perhaps the most illustrative example of the agency’s problems came in a scathing indictment from its own inspector general, which took issue with nearly \$75 million in grants to its largest AmeriCorps grantee, the New York Teaching Fellows Program run by the Research Foundation of the City University of New York (RFCUNY).¹⁶ An IG audit revealed that the program “adds no value to the community which is not already provided,” and “taxpayers are not getting their money’s worth.”¹⁷ In addition to countless violations of agency guidelines, the IG also claimed the RFCUNY program duplicated existing efforts in New York. Despite a mountain of evidence to support his claims, the IG said his “most troubling” finding was that the agency vigorously defended the awards, arguing that “the grant was properly made because there is no evidence that it was not properly made.”¹⁸

Reductions to the scope and cost of CNCS programs should be part of a broader effort to untangle the government’s overlapping and duplicative involvement in volunteerism. At present, there are numerous other federal volunteer programs, including Citizen Corps,¹⁹ the U.S. Army Corps of Engineers Volunteer Program,²⁰ Smithsonian Volunteers,²¹ Peace Corps,²² National Parks Volunteers,²³ and dozens of others.²⁴ In fact, the government sponsors so many volunteer opportunities that it hosts a website, Volunteer.gov, simply to coordinate them all. Several agencies provide funding for volunteer programs. The Department of Education alone provides funding for 21st-Century Community Learning Centers, Adult Education-Basic Grants to States, Reading is Fundamental, Special Olympics Education Programs, Full-Service Community Schools, Federal Work-Study Program, Grants for Access and Persistence Program, Leveraging Educational Assistance Partnership Program and several more.²⁵

Reduce Funding for AmeriCorps State and National Grants by 75 percent. Extreme fiscal circumstances make it difficult to fund paid volunteer programs at previous levels. Reducing funds for this program by 75 percent, which in 2010 was \$372.5 million,²⁶ would allow for

¹⁵ “Obama Axes AmeriCorps’ Inspector General,” *Associated Press*, June 18, 2009, <http://www.cbsnews.com/stories/2009/06/12/politics/main5082820.shtml#ixzz1PM9asjcl>.

¹⁶ Office of the Inspector General, Corporation for National and Community Service, “Evaluation of Corporation for National and Community Service Grants Nos. 04EDHNY003 and 07EDHNY002,” June 4, 2009, OIG Report 09-11A, <http://www.cnscsig.gov/PDF/AuditReports/fy09/09-11A.pdf>.

¹⁷ Office of the Inspector General, Corporation for National and Community Service, “Evaluation of Corporation for National and Community Service Grants Nos. 04EDHNY003 and 07EDHNY002,” June 4, 2009, OIG Report 09-11A, <http://www.cnscsig.gov/PDF/AuditReports/fy09/09-11A.pdf>.

¹⁸ Office of the Inspector General, Corporation for National and Community Service, “Evaluation of Corporation for National and Community Service Grants Nos. 04EDHNY003 and 07EDHNY002,” June 4, 2009, OIG Report 09-11A, <http://www.cnscsig.gov/PDF/AuditReports/fy09/09-11A.pdf>.

¹⁹ Website of Citizen Corps, (accessed June 29, 2011), <http://www.citizencorps.gov/about/>.

²⁰ Website of the U.S. Army Corps of Engineers, Volunteer Clearinghouse, (accessed June 29, 2011), <http://www.orn.usace.army.mil/volunteer/>.

²¹ Website of the Smithsonian Institution, “Opportunities for Volunteer Service,” (accessed June 29, 2011), <http://www.si.edu/volunteer/>.

²² Website of the Peace Corps, “Learn About Volunteering,” (accessed June 29, 2011), <http://www.peacecorps.gov/index.cfm?shell=learn>.

²³ Website of the National Park Service, “Volunteer,” (accessed June 29, 2011), <http://www.nps.gov/volunteer/>.

²⁴ <http://www.usa.gov/Citizen/Topics/PublicService.shtml>

²⁵ U.S. Department of Education, Office of Communications and Outreach, “Guide to U.S. Department of Education Programs, Fiscal Year 2010,” <http://www2.ed.gov/programs/gtep/gtep.pdf>.

²⁶ CRS <http://www.crs.gov/Products/RL/PDF/RL33931.pdf>

projects of higher national importance to remain active. The reductions would generate approximately \$279 million in annual savings. **Estimated Ten-Year Savings: \$3.1 Billion.**

Terminate the National Service Trust. Funds from this account, which were appropriated \$197 million in 2010,²⁷ are used to pay for expenses related to student loans for AmeriCorps participants. This program would no longer be necessary with a reduction in the amount of available AmeriCorps grants.

Estimated Ten-Year Savings: \$2.19 billion

Barry M. Goldwater Scholarship and Excellence in Education Foundation. The late Senator Barry Goldwater famously said in his 1960 book, *Conscience of a Conservative*, that his aim was “not to inaugurate new programs, but to cancel old ones.” In a fit of irony, however, Congress created the Goldwater Scholarship Program in 1986 to honor the senator at the end of his career.²⁸ Closing the program down now after 25 years may be a more fitting legacy. Students eligible for the \$7,500 scholarship must pursue a degree in math or science, and in the 2010-2011 school year, 300 students received the award.²⁹ Over the years, scholarships have tended to go most to students attending prestigious universities, with the top schools being Princeton, Harvard and Duke.³⁰ Not surprisingly, these same three institutions managed endowments worth a combined \$46.6 billion.³¹

In essence, the program grants benefits to a very limited pool of students, who typically attend schools who do not require additional federal assistance to fund worthy scholars.

Further, students looking for merit-based education scholarships will find countless other federal programs available to them. A survey of options on Students.gov, a government-run website that promotes federal scholarship opportunities, one can find dozens of options, including programs run by the Health Resources and Services Administration, the Departments of Education, Energy, Agriculture, Defense, Veterans Affairs, the National Science Foundation, the National Institutes of Health, NASA and the Federal Aviation Administration.

Return to the Treasury the Original \$40 Million Investment for the Barry M. Goldwater Scholarship and Excellence in Education Program. The Goldwater Scholarship is operated through a federal trust fund, which received a one-time \$40 million appropriation in 1986. Assets for the fund grew to \$68 million in 2010,³² primarily through interest gained from investments in Treasury securities. The foundation should return its original \$40 million investment to the Treasury and be spun off as a private foundation.

²⁷ Rudman, Abigail, and Ann Lordeman, Congressional Research Service, “The Corporation for National and Community Service: Overview of Programs and FY2010 Funding,” RL3931, February 9, 2011, <http://www.crs.gov/Products/RL/PDF/RL33931.pdf>.

²⁸ 20 U.S.C. 4701, http://www.law.cornell.edu/uscode20/usc_sec_20_00004701----000-.html.

²⁹ Website of the Barry M. Goldwater Scholarship Program, “Bulleting of Information for the 2010-2011 Competition,” (accessed June 29, 2011), <http://www.act.org/goldwater/yybull.html>.

³⁰ Website of Kansas State University, Department of Mathematics, News Release, “Four K-State Students Win 2006 Goldwater Scholarships,” March 22, 2006, <http://www.math.ksu.edu/events/ksucomp/goldwater/goldwtr06.htm>.

³¹ Duke: <http://giving.duke.edu/endowment/>; Harvard: <http://news.harvard.edu/gazette/story/2010/09/harvard-endowment-posts-strong-positive-return-2/>; Princeton: <http://www.princeton.edu/main/news/archive/S28/71/07M45/>.

³² Office of Management and Budget, 2012 Budget Proposal, Appendix, Other Independent Agencies, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/oia.html>.

Estimated Ten-Year Savings: \$40 million

Institute of Museum and Library Services (IMLS)—The IMLS primarily provides funding to libraries and museums around the country through a variety of grant programs. Among its questionable awards in recent years have been \$60,500 for a parachute museum, awards for a Merry-Go-Round Museum,³³ \$5,000 for a Tennessee library to host *Rock Band* and *Dance Dance Revolution* video game parties,³⁴ \$4,520 for the Mississippi Sports Hall of Fame and Museum,³⁵ and \$147,500 for a Whaling Museum to preserve old bank records.³⁶

While these programs are appreciated by those who benefit from them, they can no longer be considered essential. According to the Congressional Research Service, public libraries receive only 0.4% of their annual funding from federal sources, with the remainder coming from State, local and private sources.³⁷ Likewise, museums rely on government support—including local, State and Federal combined—for only between 7%-24% of their annual revenues.³⁸ Additionally, IMLS grants largely duplicate other federal grant programs that provide museum funding, including those at the National Endowment for the Arts, the National Endowment for the Humanities, the National Science Foundation and, in recent years, through congressional earmarks.³⁹

Reduce Grants to State Library Administrative Agencies by 30 Percent. This program provides an allotment to every State based on population,⁴⁰ which since 2002 has totaled more than \$1.62 billion.⁴¹ Substantial funding will remain available from local and private sources. In 2010, this program received \$172.6 million,⁴² and a 30 percent reduction would yield \$51.8 million in savings the first year. **Estimated Ten-Year Savings: \$574.7 million**

Eliminate Museums for America Grants. In 2010, this program provided \$19.5 million to 178 institutions,⁴³ or barely one percent of the nation's museums.⁴⁴ Unlike the previous program,

³³ Vanden Bout, Veronica, "Merry-Go-Round Museum Hosts Operating Carousel," *The Carousel News & Trader*, November 1, 2009, <http://www.carouselnews.com/July-2009/July-2009/Merry-Go-Round-Museum-Hosts-Operating-Carousel.html>.

³⁴ Report of Sen. Tom Coburn, Wastebook 2010, December 2010, http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=4a184ddb-cd85-4052-b38b-5a1116acca8c.

³⁵ Website of the Mississippi Sports Hall of Fame & Museum, Announcements, "Museum Receives CAP Grant," May 13, 2003, http://www.ms fame.com/artman/publish/article_124.shtml.

³⁶ Website of the New Bedford Whaling Museum, Press Release, "New Bedford Whaling Museum Awarded Prestigious Grant From the Institute of Museum and Library Services," November 1, 2009; <http://www.whalingmuseum.org/museumnews/releases/11-11-09.html>.

³⁷ McCallion, Gail, and Erin D. Caffrey, Congressional Research Service, "The Museum and Library Services Act of 2003: Overview and Reauthorization Issues," January 25, 2010 (R40893).

³⁸ Report of the Institute of Museum and Library Services, "Exhibiting Public Value: Government Funding for Museums in the United States," December 2008; <http://www.ims.gov/pdf/MuseumPublicFinance.pdf>.

³⁹ Report of the Institute of Museum and Library Services, "Exhibiting Public Value: Government Funding for Museums in the United States," December 2008; <http://www.ims.gov/pdf/MuseumPublicFinance.pdf>.

⁴⁰ Website of the Museum and Library Services, "Grants to State Library Administrative Agencies," (accessed June 28, 2011); <http://www.ims.gov/programs/programs.shtml>.

⁴¹ Website of the Institute of Museum and Library Services, "Fiscal Year 2012 Appropriations Request to the United States Congress"; http://ims.gov/pdf/FY12_CJ.pdf.

⁴² Website of the Institute of Museum and Library Services, "Fiscal Year 2012 Appropriations Request to the United States Congress"; http://ims.gov/pdf/FY12_CJ.pdf.

⁴³ Press Release of the Institute of Museum and Library Services, "IMLS Awards \$19.5 Million in Museums for America Grants to 178 Institutions," July 13, 2010; <http://www.ims.gov/news/2010/071310.shtml>.

⁴⁴ American Association of Museums Website, "Frequently Asked Questions About Museums," http://www.aam-us.org/aboutmuseums/abc.cfm#how_many.

funds are not distributed each year to museums in every State. In 2010, museums in 11 states received no funding.⁴⁵ Three states alone (New York, California and Massachusetts) received more than a third of the program's entire funds.⁴⁶ Of the projects funded, few could be considered pressing national priorities. The Zoological Society of Florida received an \$85,000 award to create "Fun Zoo Miami," a website for kids,⁴⁷ though it is not yet complete nearly a year later. In addition, the Tennessee Aquarium received \$146,000 to create an 88,000 gallon fish tank for "Megafishes," and \$131,000 went to the Neville Public Museum to catalogue old negatives from the *Green Bay Press-Gazette*.⁴⁸ **Estimated Ten-Year Savings: \$217 million**

Eliminate National Leadership Grants. IMLS should end funding for its two National Leadership Grant programs, one for museums and other for libraries. These two programs, which provide \$20 million annually for libraries and museums, are intended for projects with broad significance to the library, museum, archiving communities.⁴⁹ However, it has recently made some questionable awards that do not seem to fit this description, including \$615,175 to the University of California, Santa Cruz to "digitize materials from its Grateful Dead Archive."⁵⁰ It is intended primarily for academics in "the growing field known as Grateful Dead Studies," but will not feature the band's most popular assets: music from its live shows.⁵¹ A separate grant for \$816,512 was awarded to the Honolulu Zoo to participate in a study on elephant welfare,⁵² which grantees intend to share with zoos around the world as a model for elephant care.⁵³ Only, one animal rights organization issued a report "that put the Honolulu Zoo on a list of top ten worst zoos for elephants" in all of North America.⁵⁴ Suzanne Roy, with In Defense of Animals, called the conditions at the zoo not only "completely inadequate and inhumane," but "downright cruel."⁵⁵ The group noted that the only way to improve conditions at this zoo would be end the elephant program outright.⁵⁶ **Estimated Ten-Year Savings: \$222 million**

⁴⁵ Press Release of the Institute of Museum and Library Services, "IMLS Awards \$19.5 Million in Museums for America Grants to 178 Institutions," July 13, 2010; <http://www.ims.gov/news/2010/071310.shtm>.

⁴⁶ Press Release of the Institute of Museum and Library Services, "Museums for America Grant Announcement," July 2010; http://www.ims.gov/news/2010/071310_list.shtm.

⁴⁷ Press Release of the Institute of Museum and Library Services, "Museums for America Grant Announcement," July 2010; http://www.ims.gov/news/2010/071310_list.shtm.

⁴⁸ Press Release of the Institute of Museum and Library Services, "Museums for America Grant Announcement," July 2010; http://www.ims.gov/news/2010/071310_list.shtm.

⁴⁹ Website of the Institute of Museum and Library Services, Grant Applicants, Available Grants, National Leadership Grants, (accessed June 28, 2011); <http://www.ims.gov/applicants/grants/nationalLeadership.shtm>.

⁵⁰ Rappaport, Scott, University of California Santa Cruz, News Release, "UC Santa Cruz receives \$615,000 grant to digitize Grateful Dead Archive," September 29, 2009; <http://news.ucsc.edu/2009/09/3237.html>

⁵¹ Rohrer, Larry, "In Archive and Exhibit, the Dead Live On," *New York Times*, March 10, 2010, http://www.nytimes.com/2010/03/11/arts/music/11grateful.html?_r=2&src=me&pagewanted=all.

⁵² Website of the Institute of Museum and Library Services, Press Release, National Leadership Grants, September 2010 Project Grant Announcement, (accessed July 14, 2011), http://www.ims.gov/news/2010/092710_list.shtm.

⁵³ Website of the Smithsonian Institute, News Release, "National Zoo is Part of Elephant Study Awarded Prestigious Grant from the Institute of Museum and Library Services," October 22, 2010, <http://newsdesk.si.edu/releases/national-zoo-part-elfeant-study-awarded-prestigious-grant-institute-museum-and-library-ser>.

⁵⁴ Website of In Defense of Animals, "2010 Top Ten Worst Zoos for Elephants," January 18, 2011, http://www.helpelephants.com/top_ten_worst_zoos_2010.html.

⁵⁵ LaFrance, Adrienne, "The Elephant in the Room," *Honolulu Weekly*, January 28, 2009, <http://honoluluweekly.com/feature/2009/01/the-elfeant-in-the-room/>.

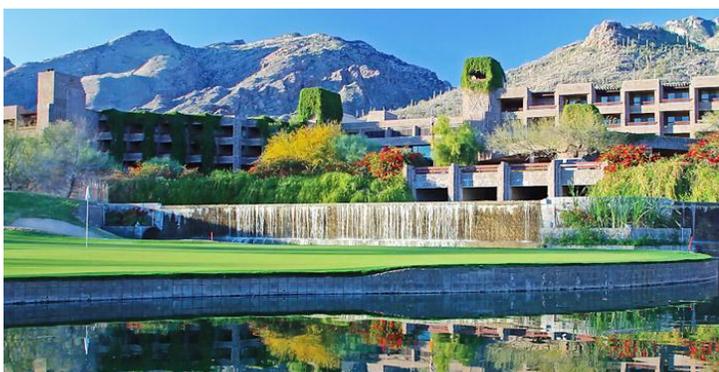
⁵⁶ Website of In Defense of Animals, "2010 Top Ten Worst Zoos for Elephants," January 18, 2011, http://www.helpelephants.com/top_ten_worst_zoos_2010.html.

Reduce Administration Costs by 30 Percent. In 2010, IMLS spent \$17.1 million on administration costs.⁵⁷ A reduction of 30 percent would achieve \$5.13 million in savings for the first year. **Estimated Ten-Year Savings: \$57 million**

Eliminate Laura Bush 21st Century Librarian Grants. The Laura Bush program was provided with \$24.5 million in 2010, and serves the purpose of helping libraries recruit librarians.⁵⁸ Given a current level of unemployment hovering around nine percent, the agency does not need to subsidize recruitment at this time. In addition, the Bureau of Labor Statistics reports that “job prospects are expected to be favorable” for librarians, which is a labor market expected to grow by eight percent by 2018.⁵⁹ **Estimated Ten-Year Savings: \$272 million**

Harry S. Truman Scholarship Foundation. Truman scholarships, like Goldwater scholarships, are given to 75 college juniors each year it considers up and coming “change agents.”⁶⁰ Scholarships can be as large as \$30,000 and go towards paying for graduate programs.⁶¹ Among its notable awardees have been Homeland Security Secretary Janet Napolitano and ABC News journalist George Stephanopoulos.⁶²

Truman scholarships support roughly one student in each state each year,⁶³ making it possible for private individuals, organizations or States to provide funding for such scholarships without significant additional financial burden. As of 2011, the Truman Scholar alumni network has nearly 3,000 members, providing an ample base of support for future funding.⁶⁴ In 2012, the Obama administration called for an end to future funding for the program, which received nearly \$1 million in 2010.⁶⁵



Return to the Treasury \$30 Million Original Endowment for the Harry S. Truman Scholarship Foundation and Spin Off as Private Entity. The Truman Foundation was founded with a \$30 million endowment by Congress, and today manages approximately \$55 million in assets

⁵⁷ Website of the Institute of Museum and Library Services, “Fiscal Year 2012 Appropriations Request to the United States Congress”; http://imls.gov/pdf/FY12_CJ.pdf.

⁵⁸ Website of the Institute of Museum and Library Services, “Fiscal Year 2012 Appropriations Request to the United States Congress”; http://imls.gov/pdf/FY12_CJ.pdf.

⁵⁹ Website of the Bureau of Labor Statistics, Job Outlook for Librarians, (accessed July 14, 2011), <http://www.bls.gov/oco/ocos068.htm#outlook>.

⁶⁰ Website of the Harry S. Truman Scholarship Foundation, “About Us,” (accessed June 29, 2011), <http://www.truman.gov/about-us/our-history/our-history>.

⁶¹ Office of Management and Budget, 2012 Budget Proposal, Appendix, Other Independent Agencies, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/oia.html>.

⁶² Anushka, Asthana, “Present Scholars, Future Leaders,” *Washington Post*, August 28, 2006, <http://www.washingtonpost.com/wp-dyn/content/article/2006/08/27/AR2006082700747.html>.

⁶³ Website of the Harry S. Truman Scholarship Foundation, News Release, “2011 Truman Scholars Announced,” <http://www.truman.gov/news/2011-truman-scholars-announced>.

⁶⁴ Website of the Harry S. Truman Scholarship Foundation, News Release, “2011 Truman Scholars Announced,” <http://www.truman.gov/news/2011-truman-scholars-announced>.

⁶⁵ Executive Office of the President of the United States, Budget of the U.S. Government, “Fiscal Year 2012 Terminations, Reductions and Savings,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

through a federal trust fund.⁶⁶ This proposal would end future funding for this program and reclaim the original \$30 million endowment. The remaining \$25 million in assets would be used to establish the Truman Foundation as a private entity.

Estimated Ten-Year Savings: \$30 million

Morris K. Udall and Stewart L. Udall Foundation. The Udall foundation opened its doors in 1992 as an independent federal agency dedicated to promoting environmentalism and the betterment of Native Americans.⁶⁷ The foundation offers undergraduate scholarships for students studying environmentalism as well as in fields related to Native American and Native Alaskan interests.⁶⁸ In addition, it offers a congressional internship stipend, a youth photography program, and is home to the U.S. Institute for Conflict Resolution.⁶⁹ The Institute sponsors an annual conference on environmental conflict resolution, which was held in 2010 at the Loews Ventana Canyon Resort in Tucson, Arizona.⁷⁰ The resort boasts two golf courses designed by Tom Fazio, one of which ranks #34 in the nation by Golf Digest.⁷¹

End Federal Funding for the Udall Foundation. Over the last several years, the Udall Foundation has received a \$7 million appropriation and ended 2010 with an endowment of \$42 million.⁷² Without further federal funding, the Udall Foundation will be able to maintain current levels of services using its existing resources.

Estimated Ten-Year Savings: \$33 million

Christopher Columbus Fellowship Foundation. The Christopher Columbus Fellowship Foundation was created in 1992 to celebrate the 500th anniversary of the discovery of America.⁷³ Funding for the foundation came from the sale of specially minted coins, which were sold and the proceeds placed into the foundation's endowment.⁷⁴ While in recent years the administration has not requested funding, Congress has consistently provided it with \$1 million.⁷⁵ Its funding has been used recently not to provide funding for ongoing research, but rather to present monetary awards honoring those with achievements in a wide variety of fields. In 2011, the foundation presented four awards of \$25,000 each to "recognize innovations in the homeland security arena."⁷⁶ It also sponsors the Christopher Columbus Academy, a program that awards trips to Disney World for sixth through eighth graders, giving them "a behind-the-scenes look at

⁶⁶ Office of Management and Budget, 2012 Budget Proposal, Appendix, Other Independent Agencies, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/oia.html>.

⁶⁷ Website of the Udall Foundation, 2010 Annual Report, <http://www.udall.gov/pdf/AR2010.pdf>.

⁶⁸ Website of the Udall Foundation, 2010 Annual Report, <http://www.udall.gov/pdf/AR2010.pdf>.

⁶⁹ Website of the Udall Foundation, 2010 Annual Report, <http://www.udall.gov/pdf/AR2010.pdf>.

⁷⁰ ECR2010: Environmental Collaboration and Conflict Resolution - Evolving to Meet New Opportunities, <http://www.cvent.com/events/ecr2010-environmental-collaboration-and-conflict-resolution-evolving-to-meet-new-opportunities/agenda-5bb0560b539045faaa96c0235efbc327.aspx>.

⁷¹ Website of Loews Hotels, "Loews Ventana Canyon I'd Rather be Golfing!" (accessed July 14, 2011), <http://www.loewshotels.com/en/specials/hotelspecials/golfing2>.

⁷² Office of Management and Budget, 2012 Budget Proposal, Appendix, Other Independent Agencies, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/oia.html>.

⁷³ Website of the Christopher Columbus Fellowship Foundation, (accessed July 13, 2011), <http://www.columbusfdn.org/>.

⁷⁴ Website of the Christopher Columbus Fellowship Foundation, (accessed July 13, 2011), <http://www.columbusfdn.org/>.

⁷⁵ Hatch, Garrett, "Financial Services and General Government Appropriations: FY2012 Budget Request Fact Sheet," June 16, 2011, (R41655), <http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41655&Source=cli>.

⁷⁶ Website of the Christopher Columbus Fellowship Foundation, News Release, "\$100,000 in Homeland Security Awards Presented for Innovative Research," October 5, 2010, <http://www.columbusfdn.org/press/pdf/2010.10.05-HSApressRelease.pdf>.

Disney attractions, and learn from Disney's own Imagineers about the challenges and triumphs of Ride and Design at Walt Disney World.”⁷⁷

End Funding for the Christopher Columbus Fellowship Foundation. No additional funds should be allotted for this program, which should be allowed to continue until its remaining funds are expended. This proposal was supported by the administration, which said: “The Christopher Columbus Fellowship Foundation has nearly exhausted its endowed Trust Fund, which was established in 1992 for fellowships ‘to encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind.’ The Foundation has not consistently demonstrated clear outcomes from its awards and has high overhead costs. No Administration has proposed funding for the Christopher Columbus Fellowship Foundation since the creation of the Foundation almost two decades ago.”⁷⁸



Estimated Ten-Year Savings: \$11 million

Election Assistance Commission (EAC). The EAC was created a decade ago for the primary purpose of helping states update outmoded voting methods, which it has done by providing states with funding to purchase new equipment. That mission is now nearly complete, making it possible to phase out this agency and free up funds for higher priority items.⁷⁹

Questions have long lingered about the proper constitutional role of the EAC and whether there is a federal responsibility to assist with State elections. As such, the agency is limited to providing States with non-binding guidance and money for equipment. For its 2012 budget, the Obama administration called for the termination of Election Reform Grants, noting “over \$3 billion in Federal funds have been provided to the States since 2002, of which approximately \$1 billion remains unspent as of September 2009.”⁸⁰

Various oversight bodies have raised concerns about agency mismanagement, including from its own inspector general. An October 2009 investigative report uncovered that the agency spent \$7,000 in 2008 to buy 458 polo shirts and a zip-up sweatshirt for its 50 employees.⁸¹ While the agency claimed that the purchases were an “award” for employees, the IG said it appeared to be an “improper use of federal funds.”⁸² Other expenses, however, are more troubling for such a

⁷⁷ Website of the Christopher Columbus Fellowship Foundation, (accessed July 14, 2011), <http://www.columbusfdn.org/christophercolumbus/index.php>.

⁷⁸ Executive Office of the President of the United States, Budget of the U.S. Government, “Fiscal Year 2012 Terminations, Reductions and Savings,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

⁷⁹ Election Assistance Commission Website, “About EAC,” http://www.eac.gov/about_the_eac/.

⁸⁰ Executive Office of the President of the United States, Budget of the U.S. Government, “Fiscal Year 2012 Terminations, Reductions and Savings,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

⁸¹ Office of the Inspector General, U.S. Election Assistance Commission, Final Report, “Purchase of Shirts and Sweatshirts Using Appropriated Funds,” October 2009, Evaluation Report No. 1-EV-EAC-01-09, <http://www.eac.gov/assets/1/Documents/Sweatshirts%20Purchase%20IG%20Report.pdf>.

⁸² Office of the Inspector General, U.S. Election Assistance Commission, Final Report, “Purchase of Shirts and Sweatshirts Using Appropriated Funds,” October 2009, Evaluation Report No. 1-EV-EAC-01-09, <http://www.eac.gov/assets/1/Documents/Sweatshirts%20Purchase%20IG%20Report.pdf>.

small agency, including \$872,000 spent in 2010 on travel,⁸³ and \$182,000 on 90 new computers.⁸⁴ In hiring staff, the IG also criticized the agency for creating an unnecessary bureaucracy that is top-heavy, with more executive supervisors than program staff.⁸⁵ Consequently, program oversight has been weak and grant money was spent for items such as \$26,459 coloring books and advertisements related to “Take a Kid to Vote Day,”⁸⁶ and \$75,000 for an online “Second Life” training game for college students.⁸⁷

Perhaps the harshest criticism of the agency has come from one of its earliest supporters, the National Association of Secretaries of State (NASS). NASS, which represents the State-level officials responsible for election administration, voted in 2005 to propose dissolving the EAC following the 2006 elections. Calling the EAC’s mission “a limited one,” NASS voted to approve the following statement: “Any duties assigned to the EAC can be completed by the National Institute of Standards and Technology or by the state and local election officials who make up the HAVA Standards Board and its Executive Committee. The National Association of Secretaries of State encourages Congress not to reauthorize or fund the EAC after the conclusion of the 2006 federal general election, and not to give rulemaking authority to the EAC.”⁸⁸ New Hampshire Secretary of State Bill Gardner, a Democrat, put it even more bluntly at a recent Congressional hearing discussing the NASS position statement: “The EAC has continuously reached beyond the power granted in HAVA, despite ongoing resistance resulting in a statement and several resolutions approved by [NASS] from 2004 to 2010. Given current trends, the nation is at risk of losing the states as laboratories of Democracy.”⁸⁹

Terminate the Election Assistance Commission and Transfer Essential Functions to the Federal Election Commission (FEC). The EAC would no longer operate as an independent federal agency, but instead its essential functions would be transferred to the FEC. These would include the Federal Voting Assistance Program for overseas military members and the election information clearinghouse website. Systems testing currently performed by the National Institute for Standards and Technology (NIST) would remain in place. In 2011, the EAC budget was \$18 million, of which \$3.5 million was transferred to NIST; such funds would go to NIST through FEC.⁹⁰ **Estimated Ten-Year Savings: \$161 million**

⁸³ Election Assistance Commission, “Fiscal Year 2012 Interim Congressional Budget Justification,” <http://www.eac.gov/assets/1/Documents/FY%202012%20Congressional%20Budget%20Justification%20Feb%2011%202011.pdf>.

⁸⁴ Documentation provided to staff of Sen. Coburn.

⁸⁵ Testimony of EAC Inspector General Curtis Crider, before the U.S. House Committee on Administration, Subcommittee on Elections, April 1, 2009. http://www.eac.gov/assets/1/workflow_staging/page/100.doc

⁸⁶ Election Assistance Commission. “Alabama Audit Resolution.” March 28, 2011.

<http://www.eac.gov/assets/1/Documents/Final%20EAC%20Management%20Decision%20Alabama%20E-HP-AL-06-10.pdf>

⁸⁷ Election Assistance Commission Blog, “Training Poll Workers in a Virtual World.” January 28, 2011.

http://www.eac.gov/blogs/training_poll_workers_in_a_virtual_world/.

⁸⁸ National Association of Secretaries of State, Open letter to members of Congress, “NASS Position on Funding and Authorization of the U.S. Election Assistance Commission,” February 6, 2005,

http://electiondefensealliance.org/NASS_resolution_EAC.

⁸⁹ Testimony of Mr. Bill Gardner, New Hampshire Secretary of State before the Subcommittee on Elections of the Committee on House Administration, U.S. House of Representatives. April 14, 2011.

http://cha.house.gov/images/stories/documents/04142011_testimony_gardner.pdf

⁹⁰ Election Assistance Commission, “Fiscal Year 2012 Interim Congressional Budget Justification,”

<http://www.eac.gov/assets/1/Documents/FY%202012%20Congressional%20Budget%20Justification%20Feb%2011%202011.pdf>.

United States Institute of Peace (USIP). Created in 1984, the USIP serves a niche role in the U.S. diplomatic community, acting more like a think tank than as a government agency. USIP provides grants, training and academic expertise in the area of peacemaking, and most recently hosted the Iraq Study Group (ISG). The ISG created benchmarks to measure success in the war, with the recommendation of withdrawal of U.S. troops by 2008 if not met.⁹¹ But while it is not part of either the Departments of Defense or State, it should not be confused as an independent voice. Notes the *National Journal*: “It doesn’t do anything in another country without permission from Foggy Bottom [State Department headquarters].”⁹² While it has participated in overseas peace negotiations, it has become most well-known for its annual high school essay contest⁹³ and its new \$183 million headquarters.⁹⁴ While housing just 345 employees, the new building—referred to variously as “like a temple” and “a trophy”—occupies one of the most prominent positions on the National Mall, compete with spectacular city views.⁹⁵ In answering the question of why the institute needs such glamorous accommodations, a reviewer in the *Washington Post* noted that it had nothing to do with requiring expanded office space. Rather, he concluded, the new building’s real purpose is “real estate, cocktail parties, fabulous views and the full-time employment of specialists to manage your congressional affairs, your intergovernmental problems, your outreach and educational activities and, of course, your press and publicity.”⁹⁶

The need for a federal peace institute at all was questioned this year when the House of Representatives voted on an overwhelmingly bipartisan basis to defund USIP.⁹⁷ While funding was partially restored by the Senate, the institute’s budget was ultimately reduced by 20 percent in 2011.⁹⁸ In a surprise move, one of the first supporters of the effort to defund was renowned peace activist Coleman McCarthy, who simply asked, “What took it so long?”⁹⁹ Calling the institute’s leadership inexperienced and its record “all gums and no teeth,” he urged Congress to shut the agency down and allow it to move forward as a private organization.¹⁰⁰ Its ability to raise significant private funding is already a matter of record. In the last few years, USIP has received hefty contributions from a number of large corporate sponsors, including \$10 million from Chevron,¹⁰¹ \$1.5 million from BP,¹⁰² \$1 million from Lockheed Martin,¹⁰³ and \$500,000

⁹¹ Website of the U.S. Institute of Peace, “Iraq Study Group, USIP’s Role,” <http://www.usip.org/iraq-study-group/usips-role>.

⁹² Hegland, Corine, “Peace Work,” *National Journal*, April 26, 2008, http://www.usip.org/files/national_journal.pdf.

⁹³ Website of the U.S. Institute of Peace, “National Peace Essay Contest for High School Students,” (accessed July 14, 2011), <http://www.usip.org/ed/npec/index.html>.

⁹⁴ Markoe, Lauren, “For U.S. Institute of Peace, new home is ‘like a temple,’” *Washington Post*, January 29, 2011, <http://www.washingtonpost.com/wp-dyn/content/article/2011/01/29/AR2011012900187.html>.

⁹⁵ Kennicott, Philip, “Not at peace with building’s style,” *Washington Post*, May 20, 2011, http://www.washingtonpost.com/lifestyle/style/not-at-peace-with-buildings-style/2011/05/17/AFsPuy7G_print.html.

⁹⁶ Kennicott, Philip, “Not at peace with building’s style,” *Washington Post*, May 20, 2011, http://www.washingtonpost.com/lifestyle/style/not-at-peace-with-buildings-style/2011/05/17/AFsPuy7G_print.html.

⁹⁷ Kamen, Al, “U.S. Institute of Peace loses all federal funds under House spending plan,” *Washington Post*, February 24, 2011, <http://voices.washingtonpost.com/44/2011/02/us-institute-of-peace-loses-al.html>.

⁹⁸ Website of the Institute of Peace, News Feature, “Statement on USIP Budget,” April 28, 2011, <http://www.usip.org/publications/statement-usip-budget>.

⁹⁹ McCarthy, Colman, “A peacemaker’s case against the U.S. Institute of Peace,” *Washington Post*, March 18, 2011, http://www.washingtonpost.com/opinions/a-peacemakers-case-against-the-us-institute-of-peace/2011/03/15/ABPznLs_singlePage.html.

¹⁰⁰ McCarthy, Colman, “A peacemaker’s case against the U.S. Institute of Peace,” *Washington Post*, March 18, 2011, http://www.washingtonpost.com/opinions/a-peacemakers-case-against-the-us-institute-of-peace/2011/03/15/ABPznLs_singlePage.html.

¹⁰¹ Website of the Institute of Peace, News Release, “Chevron Contributes \$10 Million to U.S. Institute of Peace,” January 29, 2007, <http://www.usip.org/newsroom/news/chevron-contributes-10-million-us-institute-peace>.

from Verizon.¹⁰⁴ As an independent 501(c)(3) non-profit organization, USIP has a private endowment that in 2009 was \$31.2 million, roughly the size of its annual budget.¹⁰⁵ According to its most recent public records, in 2008 the institute's top two officers were paid \$199,000 and \$223,000 in total compensation respectively¹⁰⁶—more than a cabinet secretary.¹⁰⁷

Finally, the need for a publicly-financed think tank focused solely on peace studies is diminished by the vast number of private organizations at home and abroad that already do the same work. These include the Hoover Institution, the Stockholm International Peace Research Institute, the Carnegie Endowment for International Peace, the Kroc Institute for International Peace Studies and the International Peace Academy.

Eliminate Annual Direct Appropriation for Institute of Peace. The annual funding for USIP comes primarily from three sources: a direct appropriation from Congress and the Departments of Defense and State. In 2010, the former provided \$34 million while the latter \$17 million for a total of \$51 million.¹⁰⁸ It received \$39.5 million in fiscal year 2011.¹⁰⁹ These budget levels, however, are far above what has historically been provided to the institute. Between 1992 and 2003, annual funding levels hovered around \$17 million in inflation-adjusted dollars.¹¹⁰ The commencement of the Iraq War brought a sharp increase in funding, which last year reached a record level. This proposal would return funding to historic levels by eliminating all direct appropriations for USIP, leaving funds in place that now come from the Departments of Defense and State. Using fiscal year 2010 as a baseline, this would save at least \$34 million a year. **Ten-Year Estimated Savings: \$377 million**

Advisory Council on Historic Preservation (ACHP). Congress created the ACHP in 1966 to provide the government with expert consultative advice on historic preservation matters that arise on federal properties.¹¹¹ This small independent federal agency consists of a 23-person board, of which about half are experts in their field while the other half are cabinet secretaries

¹⁰²Website of the Institute of Peace, News Release, "BP America Foundation Contributes \$1.5M to United States Institute of Peace Headquarters Project," September 8, 2008, <http://www.usip.org/newsroom/news/lockheed-martin-contributes-1-million-endowment-united-states-institute-peace>.

¹⁰³ Website of the Institute of Peace, News Release, "Lockheed Martin Contributes \$1 Million to Endowment of the United States Institute of Peace," April 22, 2009, <http://www.usip.org/newsroom/news/lockheed-martin-contributes-1-million-endowment-united-states-institute-peace>.

¹⁰⁴ Website of the Institute of Peace, News Release, "Verizon Foundation Contributes \$500,000 to United States Institute of Peace," September 22, 2010, <http://www.usip.org/newsroom/news/verizon-foundation-contributes-500000-united-states-institute-peace>.

¹⁰⁵ Website of Foundation Center, IRS Tax Form 990, Endowment of the U.S. Institute of Peace, 2008, http://dynamodata.fdncenter.org/990_pdf_archive/521/521503251/521503251_200909_990.pdf.

¹⁰⁶ Website of Foundation Center, IRS Tax Form 990, Endowment of the U.S. Institute of Peace, 2008, http://dynamodata.fdncenter.org/990_pdf_archive/521/521503251/521503251_200909_990.pdf.

¹⁰⁷ Mundy, Alicia, "U.S. Health Officials Outearn Cabinet Secretaries," *Wall Street Journal*, September 17, 2009, <http://online.wsj.com/article/SB125320570827920075.html>.

¹⁰⁸ Chaffetz, Jason and Anthony Weiner, "Small Budget Cuts Add Up," *Wall Street Journal*, February 16, 2011, <http://online.wsj.com/article/SB10001424052748703703804576144723935786138.html>.

¹⁰⁹ Website of the Institute of Peace, News Feature, "Statement on USIP Budget," April 28, 2011, <http://www.usip.org/publications/statement-usip-budget>.

¹¹⁰ Hegland, Corine, "Peace Work," *National Journal*, April 26, 2008, http://www.usip.org/files/national_journal.pdf.

¹¹¹ Website of the Advisory Council on Historic Preservation, "About the ACHP: General Information," (accessed June 28, 2011), <http://www.achp.gov/aboutachp.html>.

and assorted local government officials.¹¹² Its primary role is to provide “Section 106” reviews for projects that take place on properties found on the National Register of Historic Places, with the goal of encouraging historic preservation.¹¹³ As its name suggests, however, the council cannot use Section 106 reviews to require an agency to take an action, but instead they provide non-binding guidance. As if to emphasize the non-binding nature of its reviews, the law only requires that agencies “seriously consider” its advice.¹¹⁴

The need for such a council at all is questionable given that federal agencies already review historic preservation issues as a matter of course, without ACHP involvement. Throughout government there are 59 “federal preservation officers” who act as lead officials on preservation matters at each relevant agency.¹¹⁵ According to the ACHP’s own brochure, “most harmful effects [on federal historic properties] are addressed successfully by the federal agency and the consulting parties without participation by the ACHP.”¹¹⁶ Additionally, ACHP is not even responsible for managing the federal government’s most prominent tool for historic preservation, the National Register of Historic Places, which is run by the National Park Service.¹¹⁷ The register is the government’s official list of historic properties, and to make it on the list a property must be nominated at the state-level by a State Historic Preservation Officer. All final decisions for the register are made by the Secretary of the Interior.¹¹⁸ Finally, while the ACHP has training activities as a portion of its mission, the National Center for Preservation Technology and Training is also housed at the National Park Service.¹¹⁹

Funding for those who wish to encourage public support of federal historic preservation matters is widely available through private means. In 1949, Congress founded the National Trust for Historic Preservation, a private non-profit organization that advocates for preservation. Today it boasts 135,000 members, staff in all 50 states, a palatial headquarters that can be found across the street from the White House, and as of 2009, assets topping \$246 million.¹²⁰ Until recently, the trust received funds directly from the government, though today relies exclusively on other sources of funding.

Transfer Duties to the National Trust for Historic Preservation. The government should develop an agreement with the National Trust for Historic Preservation to transfer to it responsibility for Section 106 reviews. Matters related to the Preserve America initiative would remain with the

¹¹² Website of the Advisory Council on Historic Preservation, “ACHP Membership,” (accessed June 29, 2011)

<http://www.achp.gov/members.html>.

¹¹³ Advisory Council on Historic Preservation, Brochure, “Protecting Historic Properties: A Citizen’s Guide to Section 106 Review,” <http://www.achp.gov/docs/CitizenGuide.pdf>.

¹¹⁴ CRS Report: RL33617, “Historic Preservation: Background and Funding,” Congressional Research Service, January 22, 2007, http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL33617&Source=search#_Toc231213358.

¹¹⁵ Website of the Advisory Council on Historic Preservation, “Contact Information for Federal Agency Historic Preservation Programs and Officers,” (accessed June 29, 2011), <http://www.achp.gov/fpolist.html#ABMC>.

¹¹⁶ Advisory Council on Historic Preservation, Brochure, “Protecting Historic Properties: A Citizen’s Guide to Section 106 Review,” <http://www.achp.gov/docs/CitizenGuide.pdf>.

¹¹⁷ Website of the National Park Service, National Register of Historic Places, (accessed June 29, 2011),

http://www.nps.gov/nr/national_register_fundamentals.htm.

¹¹⁸ Website of the National Park Service, National Register of Historic Places, (accessed June 29, 2011),

http://www.nps.gov/nr/national_register_fundamentals.htm.

¹¹⁹ Website of the National Park Service, National Center for Preservation Technology and Training, (accessed July 14, 2011), <http://ncptt.nps.gov/about-us/>.

¹²⁰ Tax form 990 for the National Trust for Historic Preservation in the U.S. for 2009, http://dynamodata.fdncenter.org/990_pdf_archive/530/530210807/530210807_200912_990.pdf.

various other agencies currently involved. This would leave in place the remaining historic preservation officers and related role provided by the Department of the Interior.

Reduce Funding for the Advisory Council on Historic Preservation by 30 Percent. The annual budget for the ACHP in 2010 was \$5.9 million.¹²¹ A reduction of 30 percent would achieve an annual savings of \$1.77 million. **Estimated Ten-Year Savings: \$19.65 million**

CULTURAL AGENCIES

National Endowment of Humanities (NEH). The NEH was created in 1965 as an independent grant-making agency that exists, in its own words, “Because democracy demands wisdom.”¹²² As such it provides funding to cultural institutions such as, “museums, archives, libraries, colleges, universities, public television, and radio stations, and to individual scholars.”¹²³ While it has occasionally funded popular projects like Ken Burns’ *Civil War* documentary series it was not spared by the Obama administration, which recommended cutting the agency’s budget by more than 13 percent in 2012.¹²⁴ The single largest program at the Endowment is the Federal/State Partnership block grant program, which provided \$40 million in funding during 2010 to 56 non-profit humanities councils in the various states and territories.¹²⁵ NEH offers dozens more grant programs,¹²⁶ many of which supplement programs also supported by local and private sources.

The NEH has come under fire through the years for issuing questionable grants, some of which seem slanted to push partisan politics. In March 2011, the Thomas Foley Institute at Washington State University hosted a forum on “Civility & Democracy in America,” citing as a need for the forum the “angry outbursts” of tea party townhall attendees, the shooting of Rep. Gabrielle Giffords, and “frequent allusions to guns and violence in political debate.”¹²⁷ NEH funded the forum with \$212,735.¹²⁸ A second controversy erupted the previous year, in 2010, at an NEH-sponsored workshop about WWII titled, “Legacies of the Pacific War.” One attendee, Dr. Penelope Blake, called the session, “a sustained attack on our military, our veterans and our nation’s history by academics who have an agenda to recast history in their own politically-motivated image.”¹²⁹ In a detailed letter to Congress, Dr. Blake explained that presenters

¹²¹ Advisory Council on Historic Preservation, “Advisory Council on Historic Preservation Budget Justification FY 2012,” February 2011, http://www.achp.gov/docs/2012_Budget_Justification.pdf.

¹²² Website of the National Endowment for the Humanities, “NEH Overview: Who We Are,” (accessed June 29, 2011), <http://www.neh.gov/whoweare/overview.html>.

¹²³ Website of the National Endowment for the Humanities, “NEH Overview: Who We Are,” (accessed June 29, 2011), <http://www.neh.gov/whoweare/overview.html>.

¹²⁴ Executive Office of the President of the United States, Budget of the U.S. Government, “Fiscal Year 2012 Terminations, Reductions and Savings,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

¹²⁵ Website of the National Endowment for the Humanities, “Appropriations Request for Fiscal Year 2012,” February 2011, http://www.neh.gov/whoweare/pdf/NEH_Request_FY2012.pdf.

¹²⁶ Website of the National Endowment for the Humanities, “Grant Programs and Deadlines,” (accessed June 29, 2011), <http://www.neh.gov/grants/grants.html>.

¹²⁷ Website of Washington State University, Thomas S. Foley Institute for Public Policy & Public Service, Civility & Democracy in America Conference, (accessed June 29, 2011), <http://foley.wsu.edu/civility/>.

¹²⁸ Website of the National Endowment for the Humanities, News Release, “NEH Selects Top Scholars to Launch National ‘Bridging Cultures’ Program,” August 16, 2010, <http://www.neh.gov/news/archive/20100816.html>.

¹²⁹ Letter from Penelope A. Blake, Ph.D., to Representative Don Manzullo, September 12, 2010, http://www.pacifichistoricparks.org/teachers_workshop/2010/pdf/NEH%20controversy/Penelope%20Blake%20letter%2020101005145226270.pdf.

accused the U.S. military of making a “practice” of desecrating the bodies of dead Japanese, and that through the present day “has repeatedly committed rapes and other violent crimes.”¹³⁰

Other grants simply do not seem to make measurable contributions to the body of national wisdom, such as \$50,000 for a video game to teach students about early 17th century British social conditions. Or, \$50,000 to develop an iPhone application “focusing on Hawaiians who lived and worked at Fort Vancouver National Historic Site in the mid 1800s.”¹³¹

It even has enough funding to send some overseas, including a \$50,400 fellowship in 2009 to Russian History student at the University of East London in the United Kingdom, and two awards of \$100,000 each to create a “dictionary of old English” at the University of Toronto in Canada. Awards have likewise gone to grantees in France, Israel and the Netherlands.¹³²

National Endowment for the Arts (NEA). The NEA, like its sister agency, was also created in 1965, and today considers itself “the largest annual funder of the arts in the United States.”¹³³ While at first brush this seems impressive, the NEA accounts for only a small percentage of arts funding overall in this country. According to its website, projects funded by the NEA are typically funded with nine non-federal dollars for every one provided by the Endowment.¹³⁴ This is not entirely surprising considering that a study by Americans for the Arts, one of the nation’s leading arts boosters, found that non-profit arts and culture industry in this country alone reached more than \$63 billion by 2005.¹³⁵

In 2010, after deducting administrative costs, the NEA provided \$139 million in direct arts funding.¹³⁶ As a percentage of all arts funding then, the NEA provided only 0.22 percent – less than one quarter of one percent. This was the case even with the agency’s rapid budget growth over the last decade, which saw a nearly 60 percent increase.¹³⁷

The NEA has long drawn criticism both from those who question its federal role and from those who question the projects it chooses to fund. Much of this dates back to its first year in existence, 1965, when the agency paid a poet \$750 for a single-word poem, “Light.”¹³⁸ More

¹³⁰ Johnson, Scott, “Investigate This,” *Powerline (blog)*, November 1, 2010, <http://www.powerlineblog.com/archives/2010/11/027580.php>.

¹³¹ Data provided to Office of Sen. Tom Coburn by NEH.

¹³² Data provided to Office of Sen. Tom Coburn by NEH.

¹³³ Website of the National Endowment for the Arts, “NEA At A Glance,” (accessed June 28, 2011), <http://www.nea.gov/about/Facts/AtAGlance.html>.

¹³⁴ Website of the National Endowment for the Arts, “NEA At A Glance,” (accessed June 28, 2011), <http://www.nea.gov/about/Facts/AtAGlance.html>.

¹³⁵ Americans for the Arts, National Report, “Arts & Economic Prosperity III: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences,” http://www.artsusa.org/pdf/information_services/research/services/economic_impact/aepiii/national_report.pdf

¹³⁶ Vincent, Carol Hardy, Congressional Research Service, “Interior, Environment, and Related Agencies: FY2011 Appropriations,” May 12, 2011, (R41258), http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41258&Source=search#_Toc292980524.

¹³⁷ Website of the National Endowment for the Arts, “National Endowment for the Arts Appropriations History,” (accessed June 29, 2011), <http://www.nea.gov/about/Budget/AppropriationsHistory.html>.

¹³⁸ Saroyan, Aram, “The Most Expensive Word in the World,” *Mother Jones*, August 1981, <http://books.google.com/books?id=teYDAAAAMBAJ&lpg=PA36&ots=uE9tn4fTaZ&dq=mother%20jones%20The%20Most%20Expensive%20Word%20in%20History&pg=PA36#v=onepage&q=mother%20jones%20The%20Most%20Expensive%20Word%20in%20History&f=false>.

recently, the NEA drew attention for providing federal stimulus money, designed for job creation, to several anti-capitalist puppet shows (\$100,000), Shakespeare festivals (\$225,000) and jazz festivals (\$400,000).¹³⁹

Some critics have claimed that, while the NEA has a mission to bring the arts to people of all incomes, it is a *de facto* subsidy for the entertainment of the wealthy. A 2004 survey of the Smithsonian Institution affirmed that, “Museums tend to draw educated visitors,” finding that 73 percent of its own visitors had attained at least an undergraduate degree,¹⁴⁰ compared with 27 percent of the general population.¹⁴¹ A 2002 academic study of the University of Nebraska-Lincoln found that the income of arts patrons in Kentucky was more than three times the average population.¹⁴² Writing in 1997, William Craig Rice, now a Director at the NEH, argued that there was a distinct preference to fund large wealthy institutions, because “it is usually the larger, wealthier institutions that have the staff and resources to put together winning grant proposals.”¹⁴³

Combine Agencies Under a New National Endowment for the Arts and Humanities. Both the National Endowment for the Arts and the National Endowment for the Humanities should be combined in a single independent federal agency. The advantages of combining them include eliminating needless administrative costs, which stand at \$27 million apiece.¹⁴⁴ In addition, it would eliminate the existence of multiple centers for the government’s various cultural initiatives, and instead house them in a single agency.

Reduce Funding for the New Agency by 75 Percent. The federal role for the NEA and NEH is tenuous from both a philosophical and a practical viewpoint. Regarding the former, funding cultural institutions is not an essential government service, and therefore in lean fiscal times should not be eligible for scarce resources. From the second, practical viewpoint, the Endowments adds very little value to the institutions it serves, but rather simply returns money to the states in the form of grants. Reducing NEA and NEH funding will not prevent local and private cultural institutions from performing any activities for which they on their own are able to secure funding. In 2010, the NEH received \$167.5 million,¹⁴⁵ NEA received \$167.5 million. Reducing the combined budgets by 75 percent would yield \$251 million in annual savings.

Estimated Ten-Year Savings: \$2.8 billion

¹³⁹ Report of Sen. Tom Coburn, *Stimulus Checkup*, December 2009,

http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=a28a4590-10ac-4dc1-bd97-df57b39ed872.

¹⁴⁰ Smithsonian Institution, Office of Policy and Analysis, “Results of the 2004 Smithsonian-wide Survey of Museum Visitors,” October 2004, http://www.si.edu/opanda/Reports/Reports/SI2004_Survey_Booklet.pdf.

¹⁴¹ Website of the Census Bureau, Table 1. Educational Attainment of the Population 18 Years and Over, by Age, Sex, Race and Hispanic Origin: 2009, <http://www.census.gov/hhes/socdemo/education/data/cps/2009/Table1-01.xls>.

¹⁴² Thompson, Eric et al, “Valuing the Arts: A Contingent Valuation Approach,” College of Business Administration, University of Nebraska-Lincoln, 2002, <http://digitalcommons.unl.edu/cgi/viewcontent.cgi?article=1048&context=cbafacpub&sei-redir=1#search=%22income%20levels%20arts%20patrons%22>.

¹⁴³ William Craig Rice, “I Hear America Singing: The Arts Will Flower Without the NEA,” *Policy Review*, March/April 1997, pp. 37-45.

¹⁴⁴ CRS Report: R41258, “Interior, Environment, and Related Agencies: FY2011 Appropriations,” Congressional Research Service, May 12, 2011, http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41258&Source=search#_Toc292980524.

¹⁴⁵ Website of the National Endowment for the Humanities, “Appropriations Request for Fiscal Year 2012,” February 2011, http://www.neh.gov/howeare/pdf/NEH_Request_FY2012.pdf.

John F. Kennedy Center for the Performing Arts. Opening its doors in 1971 and named for President John F. Kennedy, the Kennedy Center sits on a location overlooking the Potomac River. The Kennedy Center for the Performing Arts has become one of Washington, D.C.'s most well-known, and well-regarded landmarks. Direct federal funding for the Kennedy Center will be \$36.4 million in 2011,¹⁴⁶ along with an additional \$15 million it will receive through the “Arts in Education” program along with its affiliate, VSA arts,¹⁴⁷ for a total of \$51.4 million. The Arts in Education program, however, primarily makes non-competitive awards to the Kennedy Center and VSA, providing dedicated funding.¹⁴⁸

Unfortunately, the Kennedy Center has not always been a good steward of its resources, noted by a series of high profile cost overruns. In 2005, the Government Accountability Office (GAO) issued a blistering report citing massive cost overruns for its Concert Hall renovation (41 percent), Opera House renovation (21 percent), fire alarm system (50 percent) and its garage (13 percent).¹⁴⁹ The result was an additional \$70 million in costs above what was originally planned.¹⁵⁰

Reduce Federal Funding for the John F. Kennedy Center for the Performing Arts by 30 Percent. Federal funding for the Kennedy Center is no longer necessary at recent levels, and should be reduced by 30 percent. In 2008, the Bush Administration recommended terminating direct funding for the Kennedy Center, noting that the institution has “a long history of obtaining financial support from the private sector, individual donors, and other non-Federal sources. This financial support can be expected to continue even without this program.”¹⁵¹ In 2008, the latest year for which information is available, the Kennedy Center had \$376.6 million in total assets.¹⁵² A 30 percent reduction would yield a savings of \$15.4 million in the first year.

Estimated Ten-Year Savings: \$171 million

National Capitol Arts and Cultural Affairs Grant Program (NCACA). Created in 1985, this program is administered by the Commission of Fine Arts to promote the arts solely within the District of Columbia.¹⁵³ Grants under this program are non-competitive and provided through a pre-set formula. Management of the program has led to questionable decisions and the program was targeted for elimination or drastic reduction by both the Bush and Obama administrations. Among the reasons cited for eliminating or reducing the program were that grants are not awarded “on performance-based merit, and there is no post-award follow-up to ensure that the

¹⁴⁶ Congressional Research Service, “Interior, Environment, and Related Agencies: FY2011 Appropriations,” (R41258) May 12, 2011, http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41258&Source=search#_Toc292980524.

¹⁴⁷ This is provided through the “Arts in Education” program at the Department of Education, <http://www2.ed.gov/about/overview/budget/budget12/justifications/d-eip.pdf>

¹⁴⁸ Website of the Department of Education, “Arts in Education (noncompetitive awards),” <http://www2.ed.gov/programs/artsed/index.html>.

¹⁴⁹ Government Accountability Office, “Kennedy Center: Stronger Oversight of Fire Safety Issues, Construction Projects, and Financial Management,” April 2005, GAO-05-334, <http://www.gao.gov/new.items/d05334.pdf>.

¹⁵⁰ Edwards, Chris, Downsizing the Federal Government, “Government Cost Overruns,” http://www.downsizinggovernment.org/government-cost-overruns#end_36, accessed June 29, 2011.

¹⁵¹ Executive Office of the President of the United States, “Major Savings and Reforms in the President’s 2009 Budget,” February 2008, <http://www.gpoaccess.gov/usbudget/fy09/pdf/savings.pdf>.

¹⁵² Tax form 990 for the John F. Kennedy Center for the Performing Arts for 2008, http://dynamodata.fdncenter.org/990_pdf_archive/530/530245017/530245017_200909_990.pdf.

¹⁵³ Website of the Commission on Fine Arts, National Capital Arts and Cultural Affairs, (accessed June 29, 2011), <http://www.cfa.gov/ncaca/index.html>.

grants are utilized for the purposes intended.”¹⁵⁴ Further, the program’s formula is skewed to provide “the largest amount of funds to those recipients with the highest annual income.”¹⁵⁵ As a result, the largest grantees in 2010 included were the Kennedy Center for Performing Arts (which already receives additional dedicated federal funding), the Washington National Opera and the National Symphony Orchestra.¹⁵⁶ Together, they have combined operating budgets of \$155.6 million, but rely on NCACA grants for only an average of 1.6 percent of their annual budgets.¹⁵⁷ The average grantee receives only eight percent of their annual operating budget through this program.¹⁵⁸ Finally, this program duplicates the efforts of other federal programs, which allow the same institutions to apply for competitive grants. As an example, the Obama administration recently cited that “in 2009, the Meridian International Center received approximately \$21 million in Federal funding from the Department of State and the Trade and Development Agency, and approximately \$342,000 (approximately 5.5 percent of its operating income) from the NCACA grant.”¹⁵⁹

Terminate the National Capitol Arts and Cultural Affairs Grant Program. This proposal would terminate the NCACA program, but leave the remaining functions of the Commission for Fine Arts in place. In so doing, funds will be freed up for higher priority items. The program received \$10 million in 2010.

Estimated Ten-Year Savings: \$111 million

Smithsonian Institution. Perhaps the best known and most popular museum in the nation, the Smithsonian Institution boasts being “the world’s largest museum and research complex, consisting of 19 museums and galleries, the National Zoological Park and nine research facilities.”¹⁶⁰ Nearly 30 million people visited the Smithsonian in 2009, an increase of 20 percent over its 2008 visitors.¹⁶¹ Museum officials credit much of the increase to the weak economy, which boosted the attraction of free museum visits, as well as the movie premiere of *Night at the Museum 2: Battle of the Smithsonian*.¹⁶²



Smithsonian

When it was created in 1846, owing to a gift from British

¹⁵⁴ Executive Office of the President of the United States, “Major Savings and Reforms in the President’s 2009 Budget,” February 2008, <http://www.gpoaccess.gov/usbudget/fy09/pdf/savings.pdf>.

¹⁵⁵ Executive Office of the President of the United States, Budget of the U.S. Government, “Fiscal Year 2012 Terminations, Reductions and Savings,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

¹⁵⁶ Website of the Commission on Fine Arts, National Capital Art and Cultural Affairs Program, “Computation of the FY 2010 Grants,” (accessed June 28, 2011); <http://cfa.gov/ncaca/2010ncaca.pdf>.

¹⁵⁷ Website of the Commission on Fine Arts, National Capital Art and Cultural Affairs Program, “Computation of the FY 2010 Grants,” (accessed June 28, 2011); <http://cfa.gov/ncaca/2010ncaca.pdf>.

¹⁵⁸ Website of the Commission on Fine Arts, National Capital Art and Cultural Affairs Program, “Computation of the FY 2010 Grants,” (accessed June 28, 2011); <http://cfa.gov/ncaca/2010ncaca.pdf>.

¹⁵⁹ Executive Office of the President of the United States, Budget of the U.S. Government, “Fiscal Year 2012 Terminations, Reductions and Savings,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

¹⁶⁰ Website of the Smithsonian Institution, <http://www.si.edu/About>.

¹⁶¹ Zongker, Brett, “Smithsonian reports 20% jump in museum visitors,” *Associated Press*, January 5, 2010, http://www.usatoday.com/travel/destinations/2010-01-05-smithsonian-visitors_N.htm.

¹⁶² Zongker, Brett, “Smithsonian reports 20% jump in museum visitors,” *Associated Press*, January 5, 2010, http://www.usatoday.com/travel/destinations/2010-01-05-smithsonian-visitors_N.htm.

chemist James Smithson, the Smithsonian Institution began with \$500,000.¹⁶³ Today its budget is nearly \$1 billion a year.¹⁶⁴ It received more than \$760 million in federal funding for 2010, and receives about 30 percent of its more than \$1 billion budget from non-federal appropriations.¹⁶⁵ Over the most recent ten-year period, it enjoyed an increase of annual appropriations by over 50 percent.¹⁶⁶

Unfortunately, managing all of our nation's treasures has been an area for criticism as of late, according to a recent report of the Smithsonian's inspector general. "In a sample of 2,216 items from the National Museum of American History's inventory, the watchdog found roughly 10 percent of the items missing. Those missing objects included 33 'Tier 4' objects, which are defined as "national treasures or valued at greater than \$1 million."¹⁶⁷ One of the objects: George Washington's bed. Smithsonian officials claim to have the situation under control, and that the bed was in fact missing for decades, but it is indicative of other recent problems the museum has had managing its inventory.

In 2005, GAO said the museum's maintenance backlog would "pose a serious long-term threat to the collections."¹⁶⁸ A follow up investigation from 2007 found that some improvements were made, but that the backlogged maintenance had grown by hundreds of millions of dollars, further threatening its collections.¹⁶⁹ Auditors found that lack of climate control at the Air and Space Museum was causing corrosion on historic airplanes, while at the National Zoo the sea lion and seal pools were leaking 110,000 gallons of water per year.¹⁷⁰

But while the Smithsonian was experiencing this backlog, the top executive at the Smithsonian Institution, who has since resigned, lived lavishly on the museum's budget, enjoying "private chartered planes, a \$1.2 million housing allowance, designer upholstery and \$2,000 chairs."¹⁷¹ The previous Secretary of the Smithsonian, Lawrence Small, racked up expenses such as a \$4,000 heater for his lap pool in addition to his salary of almost \$1 million.¹⁷² The current Secretary still has an annual pay of more than \$500,000, and his executive team of nine averages

¹⁶³ Website of the National Portrait Gallery, "1846: Portrait of a Nation," (accessed July 14, 2011), <http://www.npg.si.edu/exh/1846/index.htm>.

¹⁶⁴ Website of the Smithsonian Institution, Annual Report, "What is Next," 2009, <http://www.si.edu/Content/Pdf/About/2009-Smithsonian-Annual-Report.pdf>; News Release, "Smithsonian Fiscal Year 2012 Federal Budget Request totals \$861.5 Million," February 14, 2011, <http://newsdesk.si.edu/releases/smithsonian-fiscal-year-2012-federal-budget-request-totals-8615-million>.

¹⁶⁵ Website of the Smithsonian Institution, Annual Report, "What is Next," 2009, <http://www.si.edu/Content/Pdf/About/2009-Smithsonian-Annual-Report.pdf>.

¹⁶⁶ Smithsonian Institution, 10-Year Appropriation History, <http://www.si.edu/Content/Pdf/About/10-Year-Appropriation-History-2001-to-2010.pdf>.

¹⁶⁷ Wieder, Ben, "Smithsonian inventory in disarray, but museum says it didn't lose Washington's bed," *iWatch News (Center for Public Integrity)*, July 8, 2011, http://www.iwatchnews.org/2011/07/08/5172/smithsonian-inventory-disarray-museum-says-it-didn-t-lose-washington-s-bed?utm_source=iwatchnews&utm_medium=site-features&utm_campaign=topics-drawer.

¹⁶⁸ Government Accountability Office, "Smithsonian Institution: Facilities Management Is Progressing, but Funding Challenges Remain," GAO-05-369, April 2005, <http://www.gao.gov/new.items/d05369.pdf>.

¹⁶⁹ Government Accountability Office, "Smithsonian Institution: Funding Challenges Affect Facilities' Conditions and Security, Endangering Collections," GAO-07-1127, September 2007, <http://www.gao.gov/new.items/d071127.pdf>.

¹⁷⁰ Government Accountability Office, "Smithsonian Institution: Funding Challenges Affect Facilities' Conditions and Security, Endangering Collections," GAO-07-1127, September 2007, <http://www.gao.gov/new.items/d071127.pdf>.

¹⁷¹ Anderson, Kate, "Smithsonian's New Chief Shares Pay Cuts, Lost Perks With Staff," Bloomberg, November 4, 2008, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a_2K40GPEbik&refer=muse

¹⁷² Anderson, Kate, "Smithsonian's New Chief Shares Pay Cuts, Lost Perks With Staff," Bloomberg, November 4, 2008, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a_2K40GPEbik&refer=muse

\$250,193 in annual salaries.¹⁷³ Compounding this embarrassment, an investigation found that 251 Smithsonian employees owe federal back taxes of more than \$2.2 million.¹⁷⁴

Some of the Smithsonian's research functions do not relate specifically to its museum-related mission, and in fact duplicate the efforts of other federal agencies. For example, the Smithsonian paid the salaries for climate change researcher's¹⁷⁵ even though such research was being conducted by many other agencies.

Rent Smithsonian Buildings for Events and Admission Fees to Smithsonian Buildings. This proposal will assist the Smithsonian in becoming more financially independent in its future. This recommendation is described in full detail in the revenue chapter of the report.

Reduce Administration Budget by 30 Percent. In 2011, the Smithsonian received \$33.3 million for administration,¹⁷⁶ and a 30 percent reduction would yield a savings of \$10 million.

Estimated Ten-Year Savings: \$111 million

Collect Back Taxes from Smithsonian Employees. The IRS should collect the outstanding balance of taxes owed by employees of the Smithsonian.

Estimated Ten-Year Savings: \$2.2 million

End Climate Research Programs. The Smithsonian should end its climate research programs, which duplicate the work of other federal agencies. Its annual budget for research in this area is approximately \$7 million.

Estimated Ten-Year Savings: \$77.7 million

Institute of American Indian Arts. Established in 1962, the Institute of American Indian Arts (IAIA) identifies itself the only national center of research, training and scholarship for Native Americans devoted solely to American Indian and Alaska Native arts and culture.¹⁷⁷ In 1986, it became one of three congressionally-chartered colleges in the United States.¹⁷⁸ It has educated over 4,000 students. It includes the Museum of Contemporary Native Arts, which it calls the nation's leading exhibition facility for contemporary art by Indigenous artists.¹⁷⁹ Since 2005, federal appropriations to the institute have grown from \$5.9 million to \$8.75 million this year.¹⁸⁰ Meanwhile, other funding for IAIA has grown from \$6.8 million in 2005 to \$13.1 million in

¹⁷³ E-mail from the Smithsonian Office of Government Relations, October 26, 2010

¹⁷⁴ Website of the Washington Post, "Federal workers who owed money to the Internal Revenue Service in 2009," <http://www.washingtonpost.com/wp-srv/politics/irs-federal-workers/index.html>, accessed July 11, 2011.

¹⁷⁵ Website of the Smithsonian Institution, "Smithsonian Institution, Fiscal Year 2012 Budget Justification for Congress, February 2011," <http://www.si.edu/Content/Pdf/About/FY2012-BudgetRequest.pdf>, accessed July 11, 2011.

¹⁷⁶ Vincent, Carol Hardy, "Interior, Environment, and Related Agencies: FY2012 Appropriations," Congressional Research Service, June 30, 2011, http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41896&Source=search#_Toc297288143, accessed July 11, 2011.

¹⁷⁷ IAIA website, "IAIA Fact Sheet," http://www.iaia.edu/download/IAIA_Fact_Sheet_SPRING_2011_FINAL.pdf, accessed July 14, 2011.

¹⁷⁸ IAIA website, "History," <http://www.iaia.edu/about/history/>, accessed July 14, 2011.

¹⁷⁹ IAIA website, "IAIA Fact Sheet," http://www.iaia.edu/download/IAIA_Fact_Sheet_SPRING_2011_FINAL.pdf, accessed July 14, 2011.

¹⁸⁰ IAIA website, "FY 2012 Federal Budget Justification," http://www.iaia.edu/download/IAIA_FY_201212_Federal_Budget_Justification.pdf, accessed July 14, 2011.

2010.¹⁸¹ IAIA's mission, "To empower creativity and leadership in Native Arts and cultures through higher education, life-long learning and outreach," is laudable,¹⁸² but so are the missions of many other worthy organizations.

Reduce Funding for Institute of American Indian Arts Funding by 30 Percent. In a time of necessary fiscal austerity, Congress should consider IAIA's funding alongside the many other needs facing Americans. Additionally, there should be some comfort that IAIA has in recent years eased its reliance on federal support to accomplish its mission. A reduction of 30 percent would return funding levels to near 2005 levels.

Estimated Ten-Year Savings: \$29 million

REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS

The government should no longer provide funding for regional commissions that promote economic development. First, the various commissions are funded at vastly different levels, frequently through earmarks, often giving preference to certain regions of the country over others. This is especially important given that many states are not served by any of the commissions. Second, the responsibility for local and regional economic development can and should be provided for at the local and regional level. Third, each of the above commissions duplicates dozens of other federal economic development programs. In March of this year, the GAO identified at least 80 such federal programs that spent \$6.5 billion in 2010 on economic development.¹⁸³

The Economic Development Administration within the Department of Commerce serves as the central hub of economic development programs. Also, though, HUD has an Office of Economic Development as does the Federal Housing Finance Agency.

Denali Commission. The Denali Commission was created in 1998 as an independent federal agency designed to provide economic development funding to Alaska, particularly to rural villages.¹⁸⁴ It is unique in being the only federally-chartered economic commission "targeted at a single state,"¹⁸⁵ and over its life has received nearly \$1 billion in federal funding.¹⁸⁶ Both the Bush and Obama administrations called for budget reductions citing the commission's inability to demonstrate results¹⁸⁷ and that dozens of other federal programs duplicate its efforts.¹⁸⁸ In

¹⁸¹ IAIA website, "FY 2012 Federal Budget Justification,"

http://www.iaia.edu/download/IAIA_FY_201212_Federal_Budget_Justification.pdf, accessed July 14, 2011.

¹⁸² IAIA website, "Mission," <http://www.iaia.edu/about/mission/>, accessed July 14, 2011.

¹⁸³ Government Accountability Office, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue," GAO-11-318SP, March 2011, <http://www.gao.gov/new.items/d11318sp.pdf>.

¹⁸⁴ Website of the Denali Commission, "About the Commission," (accessed June 29, 2011),

http://www.denali.gov/index.php?option=com_content&view=section&id=4&Itemid=8.

¹⁸⁵ Boyd, Eugene, Congressional Research Service, "Federal Regional Authorities and Commissions: Their Function and Design," (RL33076), September 21, 2006,

http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL33076&Source=search#_Toc225124533.

¹⁸⁶ Website of the Denali Commission, <http://www.denali-oig.org/Images/IG-PAR-2010.pdf>;

http://www.denali.gov/index.php?option=com_docman&task=doc_download&gid=343&Itemid=253

¹⁸⁷ Executive Office of the President of the United States, "Major Savings and Reforms in the President's 2009 Budget," February 2008, <http://www.gpoaccess.gov/usbudget/fy09/pdf/savings.pdf>.

¹⁸⁸ Executive Office of the President of the United States, Budget of the U.S. Government, "Fiscal Year 2012 Terminations, Reductions and Savings," <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

2010, the Denali Commission received approximately \$61 million from a variety of federal sources.¹⁸⁹

Appalachian Regional Commission (ARC). The Appalachian Regional Commission was created by Congress in 1965 to promote economic development in 13 states, including Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.¹⁹⁰ Notably, four of these states are also served by the Delta Regional Authority (see below). President Obama's *National Commission on Fiscal Responsibility and Reform* recommended eliminating funding for this program.¹⁹¹ As an example of ARC's sometimes questionable funding decisions, it awarded \$30,000 in 2011 to Hancock High School in Maryland for "dropout prevention."¹⁹² The funds, however, were used to purchase 200 laptop computers, nearly a quarter of which were given to the school's teachers.¹⁹³ It also provided \$108,211 to the "Adventure to Space" program at the U.S. Space and Rocket Center for teacher field trips.¹⁹⁴ In 2011, ARC will receive \$76 million in direct federal appropriations.¹⁹⁵

Delta Regional Authority (DRA). The Delta Regional Authority is a "federal-state partnership" that focuses on economic development in 252 "distressed counties" located in Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.¹⁹⁶ President Obama's *National Commission on Fiscal Responsibility and Reform* recommended also eliminating funding for the program,¹⁹⁷ and earlier this year the House of Representatives voted to strip it of \$7.3 million.¹⁹⁸ For 2011, the agency, however, will receive \$13 million.¹⁹⁹

Northern Border Regional Commission (NBRC). The Northern Border Regional Commission opened its doors in April 2010 to provide for economic development for 36 "distressed" counties in New York, Vermont, New Hampshire and Maine.²⁰⁰ In Maine, this includes 12 of the state's 17 counties,²⁰¹ while in Vermont it includes two of the state's richest counties (Franklin and

¹⁸⁹ Hopkins, Kyle, "Alaska village programs facing big cuts in federal funding," *Anchorage Daily News*, February 8, 2010, <http://www.adn.com/news/alaska/rural/story/1129050.html>.

¹⁹⁰ Website of the Appalachian Regional Commission <http://www.arc.gov/about/index.asp>

¹⁹¹ Fiscal Commission, CoChairs' Proposal, *\$200 Billion in Illustrative Savings* (November 12, 2010 Update) http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/Illustrative_List_11.10.2010.pdf.

¹⁹² Website of the Appalachian Regional Commission, "ARC Projects Approved in Fiscal Year 2011, as of June 16, 2011, (accessed June 29, 2011), <http://www.arc.gov/funding/ARCProjectsApprovedinFiscalYear2011.asp>.

¹⁹³ "Hancock High laptop initiative gets grant funding," *Herald-Mail*, February 14, 2011, http://articles.herald-mail.com/2011-02-14/news/28536016_1_laptop-initiative-grant-funding-federal-state-partnership.

¹⁹⁴ Website of the Appalachian Regional Commission, "ARC Projects Approved in Fiscal Year 2010," (accessed June 29, 2011), <http://www.arc.gov/funding/ARCProjectsApprovedinFiscalYear2010.asp>.

¹⁹⁵ Appalachian Regional Commission, "FY 2012 Performance Budget Justification," February 2011, <http://www.arc.gov/images/newsroom/publications/fy2012budget/FY2012PerformanceBudgetFeb2011.pdf>.

¹⁹⁶ Website of the Delta Regional Authority, "About DRA," (accessed June 29, 2011), <http://www.dra.gov/about-us/default.aspx>.

¹⁹⁷ Fiscal Commission, CoChairs' Proposal, *\$200 Billion in Illustrative Savings* (November 12, 2010 Update) http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/Illustrative_List_11.10.2010.pdf.

¹⁹⁸ Urban, Peter, "Obama Plan Leaves Delta Budget Intact," *Times Record*, February 22, 2011, http://www.swtimes.com/news/article_ccb456c6-3aae-11e0-8f9c-001cc4c002e0.html.

¹⁹⁹ Urban, Peter, "Obama Plan Leaves Delta Budget Intact," *Times Record*, February 22, 2011, http://www.swtimes.com/news/article_ccb456c6-3aae-11e0-8f9c-001cc4c002e0.html.

²⁰⁰ "Northern Border Regional Commission announces \$1.3 million grant process," *Vermontbiz.com*, August 2, 2010, <http://www.vermontbiz.com/news/august/northern-border-regional-commission-announces-13-million-grant-process>.

²⁰¹ Cowan, Tadlock, Congressional Research Service, "An Overview of USDA Rural Development Programs," (RL31837), April 29, 2011, http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc292280201.

Grand Isle), each having a median income of \$73,800.²⁰² Its focus is to advance “transportation, water, sewer, energy, and telecommunications infrastructure” in these areas.²⁰³ One of the commission’s first awards provided \$141,150 to the Northern Forest Canoe Trail, which runs 740 miles and through all four states.²⁰⁴ But while it is a popular destination for vacationers and hiking enthusiasts, its need for federal funding is questionable. It reports private donations exceeding \$10,000 from some of the nation’s leading outdoors suppliers, L.L. Bean and REI,²⁰⁵ as well as 2009 revenues of \$341,735.²⁰⁶ Maine Huts and Trails also received \$75,000 for a “nature-based tourism project,”²⁰⁷ including construction of an upscale lodge—called a “hut”—to be rented out for as much as \$2,800 a day to traveling tourists.²⁰⁸ Its financial position is much stronger, reporting \$6 million for 2009.²⁰⁹ For both 2010 and 2011, the NBRC was provided with \$1.5 million in direct federal funding.²¹⁰



Southeast Crescent Regional Commission (SCRC). The SCRC was created in 2008 to promote economic development in Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, and Florida, several of which are also served by the Delta Regional Authority or the Appalachian Regional Commission.²¹¹ In 2011, the House of Representatives voted to defund the agency.²¹² SCRC received \$250,000 in 2011.²¹³

²⁰² Website of eFannieMae.com, 2010-2011 Area Median Income for Vermont, <https://www.efanniemae.com/sf/refmaterials/hudmedinc/hudincomerresults.jsp?STATE=VT&choice=county&CITY=&FormsButton1=Search>.

²⁰³ “Northern Border Regional Commission announces \$1.3 million grant process,” *Vermontbiz.com*, August 2, 2010, <http://www.vermontbiz.com/news/august/northern-border-regional-commission-announces-13-million-grant-process>.

²⁰⁴ Press Release of Governor James Douglas, Senator Patrick Leahy, Senator Bernard Sanders, Representative Peter Welch, “Two Vermont groups win Northern Border regional commission awards,” September 29, 2010, <http://vtdigger.org/2010/09/30/two-vermont-groups-win-northern-border-regional-commission-awards/>.

²⁰⁵ Website of the Northern Forest Canoe Trail, “Partners, Business Members,” (accessed July 12, 2011), <http://www.northernforestcanoetrail.org/Partners-2/Business-Members-52>.

²⁰⁶ Tax Form 990-EZ for the Northern Forest Canoe Trail, Inc. for the year 2009, <http://www.guidestar.org/FinDocuments/2009/030/363/2009-030363813-06176cba-Z.pdf>.

²⁰⁷ Maine Department of Economic and Community Development, Press Release, “Maine Projects Receive Funding from Northern Border Regional Commission Federal Grant Program,” October 7, 2010, <http://www.maineahead.com/maine-projects-receive-funding-from-northern-border-regional-commission-federal-grant-program/>.

²⁰⁸ Website for Maine Huts & Trails, “Rates,” (accessed July 12, 2011), <http://www.mainehuts.org/lodging/rates/>.

²⁰⁹ Tax Form 990 for Western Mountains Charitable Foundation, doing business as Maine Huts and Trails, for 2009, <http://www.guidestar.org/FinDocuments/2009/010/537/2009-010537084-061b75c4-9.pdf>.

²¹⁰ Website of the Northern Forest Center, “Northern Border Regional Commission,” (accessed July 12, 2011), http://www.northernforest.org/northern_border_regional_commission_nbrc.html.

²¹¹ Cowan, Tadlock, Congressional Research Service, “An Overview of USDA Rural Development Programs,” (RL31837), April 29, 2011, http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL31837&Source=search#_Toc292280201.

²¹² Website of Rep. Eric Cantor, FY 2011 Continuing Resolution Reductions, http://majorityleader.gov/uploadedfiles/FY2011_CUTS.pdf.

²¹³ Report accompanying the Energy and Water Development Appropriations Bill, 2012, House Report 112-118, 112th Congress, http://thomas.loc.gov/cgi-bin/cpquery/?&dbname=cp112&sid=cp112REXEX&refer=&r_n=hr118.112&item=&&&sel=TOC_394395&.

Southwest Border Regional Commission. Created in 2008 to serve Arizona, California, New Mexico and Texas,²¹⁴ the commission was modeled after the Appalachian Regional Commission.²¹⁵ The commission has not yet received federal funding.

Northern Great Plains Regional Authority. The NGPRA was created in 2002 to serve Minnesota, South Dakota, North Dakota, Nebraska, Iowa²¹⁶ and Missouri.²¹⁷ In 2010, Sen. Tom Harkin requested a \$5 million earmark for NGPRA,²¹⁸ but to date it has not received federal funding.

End Funding for All Regional Economic Development Commissions. In total, these commissions received \$151.8 million in the last year.

Estimated Ten-Year Savings: \$1.68 billion

Corporation for Public Broadcasting (CPB). The Corporation for Public Broadcasting (“CPB”), along with NPR and the Public Broadcasting Network (“PBS”), has recently become the subject of a great deal of public scrutiny. The majority of this scrutiny is the result of the news outlets, themselves, making news. Last October, NPR made the decision to fire reporter Juan Williams for an opinion that he expressed on a competing news outlet.²¹⁹ This decision by NPR exposed the station as openly having a political agenda and no longer being objective or balanced in its views, as originally intended. Moreover, with Americans able to access numerous perspectives on news events all day, and in a number of ways, taxpayer funding for public media has become an antiquated concept. With funding at its highest levels, the Co-Chairs of the bipartisan National Commission on Fiscal Responsibility and Reform proposed cutting funding for CPB, simply because America could no longer afford it, nor does it need it.²²⁰ In short, it is time for public media to exist independently of federal funding.

CPB was created by Congress in 1967 as a private nonprofit corporation through the Public Broadcasting Act, even though it is entirely funded through the federal appropriations process.²²¹ Currently, CPB is the largest single source of funding for public media. For FY2011, Congress appropriated \$430 million to CPB, and for FY2012, CPB is scheduled to receive \$445 million in federal funding.²²² Also of interest, CPB’s President and CEO, Patricia Harrison, was paid \$298,884 in 2009.²²³

²¹⁴ Public Law 110-246, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_public_laws&docid=f:publ246.110.

²¹⁵ Website of Representative Silvestre Reyes, Columns, “Reyes’s Border Economic Development Initiative Included in U.S. House and Senate-Passed Farm Bill,” May 20, 2008, <http://reyes.house.gov/News/DocumentSingle.aspx?DocumentID=106913>.

²¹⁶ Boyd, Eugene, Congressional Research Service, “Federal Regional Authorities and Commissions: Their Function and Design,” (RL33076), September 21, 2006, http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL33076&Source=search#_Toc225124533.

²¹⁷ Public Law 110-246, http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_public_laws&docid=f:publ246.110.

²¹⁸ http://www.washingtonwatch.com/bills/show/ED_20919.html

²¹⁹ Paul Farhi, *Juan Williams at odds with NPR over dismissal*, The Washington Post (October 22, 2010), <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/21/AR2010102101474.html>.

²²⁰ Fiscal Commission, CoChairs’ Proposal, *\$200 Billion in Illustrative Savings* (November 12, 2010 Update) http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/Illustrative_List_11.10.2010.pdf.

²²¹ E-mail from CPB Congressional Liaison, November 4, 2010.

²²² Information provided by Congressional Research Service.

²²³ E-mail from Congressional Research Service, November 4, 2010.

CPB created PBS in 1969 and, one year later, NPR. The nearly 1,300 local NPR and PBS member public radio and television broadcasting stations, respectively, in America are supported through a variety of sources, but receive 15.1 percent of overall funding through federal funds distributed by CPB.²²⁴ Local stations determine their own program schedules, and produce their own local programming and are mostly run by universities, non-profit community associations, state government agencies, and local school boards.²²⁵

NPR. NPR states that only two percent of its funding comes from the federal government, but this is misleading.²²⁶ In fact, CPB funds more than \$90 million in grants to NPR and its member stations.²²⁷ While most of these CPB grants are awarded to local member stations, NPR receives 41 percent of its funding from its member stations through fees and dues. In other words, NPR is receiving federal funds indirectly through its member stations. Additionally, its member stations receive 13.6 percent of their funding from universities, most of which benefit from generous federal subsidies as well.²²⁸

NPR also received \$8 million in direct subsidies over the last two years from the National Endowment of Arts (“NEA”),²²⁹ which received \$167.5 million in appropriated federal funds last year.²³⁰ NPR has also received funding from the Department of Commerce and the Department of Education. Over the past two years, \$4.3 million in direct federal appropriations were made to NPR for “special projects.”²³¹ In total, NPR member stations received \$65 million in direct appropriations last year.²³²

The current CEO of NPR who recently fired Juan Williams, Vivian Schiller, is paid an annual salary of \$450,000.²³³ Her predecessor, Kenneth Stern, was paid \$1.319 million in 2008,²³⁴ including a buyout sum of around \$900,000.²³⁵

Public Broadcasting Service (“PBS”). PBS was established as a “private, non-profit media enterprise owned and operated by member stations.”²³⁶ PBS is similar to NPR in that it is primarily funded through member station fees (\$200 million or 40 percent) and corporate and individual donations (\$228.6 million or 45 percent). PBS also receives considerable direct and indirect federal appropriations from CPB (\$53 million or 10.5 percent) and through member

²²⁴ Corporation for Public Broadcasting, *Appropriations*, <http://www.cpb.org/appropriation/>.

²²⁵ Information provided by Congressional Research Services.

²²⁶ NPR, *Public Radio Finances*, <http://www.npr.org/about/aboutnpr/publicradiofinances.html>.

²²⁷ Melissa Bell, *Defund NPR? Who's funding it anyway?*, The Washington Post (October 22, 2010)

http://voices.washingtonpost.com/blog-post/2010/10/defund_npr_radio_whos_funding.html

²²⁸ Jack Shafer, *Kill NPR To Save It*, Slate.com (October 25, 2010), <http://www.slate.com/id/2272284/>

²²⁹ National Endowment for the Arts, *FY2010 Grant Awards: Arts on Radio and Television*,

<http://www.nea.gov/Grants/recent/10grants/artv10.php>

²³⁰ U.S. House of Representatives, Report 111-316, Department of the Interior, Environment, and Related Agencies

Appropriations Act, 2010, Conference Report dated October 28, 2009, [http://frwebgate.access.gpo.gov/cgi-](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr316.111.pdf)

[bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr316.111.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr316.111.pdf).

²³¹ Information provided by Congressional Research Services.

²³² Information provided by Congressional Research Services.

²³³ E-mail from Congressional Research Service November 3, 2010

²³⁴ Tax form 990 for National Public Radio, Inc. for 2007,

http://www.npr.org/about/aboutnpr/statements/fy2008/fy08_NPR_Inc_990.pdf.

²³⁵ 2007 Tax Return of NPR, <http://www.npr.org/templates/story/story.php?storyId=111873596>.

²³⁶ Corporation for Public Broadcasting, *What is the difference between CPB, PBS, & NPR?*,

<http://www.cpb.org/aboutpb/faq/cpbpbsnpr.html>.

stations that also receive direct CPB grants.²³⁷ The President and CEO of PBS, Paula Kerger, was paid a salary of \$430,810 in 2009.²³⁸

PBS also receives funding from other federal agencies. For example, PBS and CPB recently received \$72 million in funding from a “Ready-to-Learn” grant from the Department of Education’s Office of Innovation and Improvement.²³⁹

Public Radio International (“PRI”). PRI is a not-for-profit corporation founded in 1983 “to diversify and expand the content available on public platforms, enabling U.S. listeners to ‘hear a different voice’ and to connect with one another and the larger world.”²⁴⁰ Similar to NPR, PRI is a public radio producer-distributor that broadcasts programs, including *BBC World Service*, *PRI’s The World*, *Bob Edwards Weekend*, and *This American Life*.²⁴¹ In FY2009, PRI was directly awarded a total of \$1.6 million by CPB from CPB’s discretionary funds.²⁴² PRI’s FY2010 Annual Report to Donors also indicates that it also received funds from: National Endowment for the Arts (“NEA”); National Endowment for the Humanities (“NEH”); National Science Foundation (“NSF”); and the United States Institute of Peace.²⁴³

In total, around 15 percent of all public media funding comes from CPB appropriations. Over the last ten years, more than \$4 billion in federal funds have been appropriated on public radio and television.²⁴⁴ As stated, CPB, PBS, and NPR stations, however, also receive funding indirectly through other government agencies.²⁴⁵ Of the total U.S. public broadcasting system income of \$2.85 billion, however, 83.6 percent of funding for all public media comes from non-federal sources (including entities such as universities that receive direct federal funding).²⁴⁶

Since CPB’s creation in 1967, America’s media market has drastically changed. The congressional intent behind federally funding public broadcasting in the Public Broadcasting Act was to make “public telecommunications services available to all citizens of the United States.”²⁴⁷ Now, with the 24-hour news cycle, consumers are able to instantly choose from numerous different media sources and even different media portals to get their news. In fact, in 2007, the Government Accountability Office (“GAO”) found “there are 349 public television stations, owned and operated by 173 licensees, which reach 98 percent of the households that have televisions.”²⁴⁸ The Congressional Research Service (“CRS”) found in 2009 that 85

²³⁷ Public Broadcasting Service, *PBS Consolidated Financial Highlights*, Fiscal Year Ended June 30, 2006-2009, http://www.pbs.org/about/media/about/cms_page_media/29/FinancialHighlights2009forWebv8.pdf

²³⁸ E-mail from Congressional Research Service November 4, 2010

²³⁹ Corporation for Public Broadcasting, *The Corporation for Public Broadcasting and PBS Receive Ready To Learn Grant Funding from the U.S. Department of Education*, press release (October 15, 2010) <http://www.cpb.org/pressroom/release.php?prn=840>.

²⁴⁰ Public Radio International, PRI Fact Sheet, <http://www.pri.org/pri-facts.html>.

²⁴¹ See Public Radio International, PRI Fact Sheet, <http://www.pri.org/pri-facts.html>.

²⁴² E-mail from CPB Congressional Liaison, November 5, 2010

²⁴³ See Public Radio International Annual Report to Donors 2009-2010, http://www.pri.org/files/PRI_Annual_Report_FY10.pdf. Further, a search on www.USASpending.gov, over the last ten years, PRI received \$3.9 million in grants from NSF, NEA, and NEH.

²⁴⁴ Information provided by Congressional Research Services.

²⁴⁵ Information provided by Congressional Research Services.

²⁴⁶ Information provided by Congressional Research Services.

²⁴⁷ 47 U.S.C. §396

²⁴⁸ Government Accountability Office, *Telecommunications: Issues Related to the Structure and Funding of Public Television*, Report 07-150 (January 2007) <http://www.gao.gov/new.items/d07150.pdf>.

percent of U.S. television households subscribe to cable, satellite, or similar multichannel video programming distributor (MVPD) services.²⁴⁹

At no point in our nation's history could Americans access news as easily and from as many different perspectives as they can today. There are at least six major television news stations and numerous smaller ones (not including PBS stations). Every single major newspaper has online content that can be readily accessed, documenting varying perspectives on events of the day. The creation of satellite radio has also enabled access to several news radio stations for thousands of Americans all over the country. While NPR and PBS (and other public broadcasting services) continue to exist among these media sources, they are the only major entities that enjoy dedicated annual funding from the federal government. Making news available to all Americans is no longer a valid justification for federally funding public media.

Public Media Outlets are Able to Operate Independent of Federal Funding. While PBS and NRP have benefitted from billions in federal funding, they are perfectly capable of existing independently due to private donations, which will enable them to continue to function without federal funding. In fact, PBS's current president, Paula Kerger, is known for running one of the most successful endowment campaign ever undertaken by a public television station in her previous position.²⁵⁰ Therefore, she is ideally qualified to oversee the transition from reliance on federal funds to an independent entity.

PBS boasts total net assets of \$279 million and only receives about ten percent of its funding from direct federal appropriations and grants.²⁵¹ Many member stations also have endowment funds, conduct fundraising campaigns, and solicit corporate and foundation underwriting for programming.²⁵² PBS has even conducted several case studies on how corporate sponsorships of PBS events benefit sponsors, which include Volkswagen, Chick-fil-A, and CVS.²⁵³

NPR's dependency on federal funding is also declining as it continues trending towards becoming a self-sufficient entity. NPR currently boasts on its website that "[w]hile NPR does not receive any direct federal funding, it does receive a small number of competitive grants from CPB and federal agencies like the Department of Education and the Department of Commerce."²⁵⁴ While 41 percent of its funding comes from its member stations, 26 percent comes from sponsorships and individual donations (such as a recent \$1.8 million donation George Soros²⁵⁵) and millions more from major corporations such as General Motors, State Farm, and Prudential.²⁵⁶ For NPR member stations, private individual donations make up more

²⁴⁹ Analysis provided by Congressional Research Services.

²⁵⁰ Public Broadcasting Service, *Meet Paula Kerger*, <http://www.pbs.org/about/leadership/pbs-president/bio/>.

²⁵¹ Public Broadcasting Service, *PBS Consolidated Financial Highlights*, http://www.pbs.org/about/media/about/cms_page_media/29/FinancialHighlights2009forWebv8.pdf

²⁵² Public Broadcasting Service, *Support PBS: Members are our largest source of support*, <http://www.pbs.org/about/support-our-mission/>

²⁵³ Sponsorship Group for Public Television, *About our Sponsors*, <http://www.sgptv.org/sponsors>

²⁵⁴ NPR, *Public Radio Finances*, <http://www.npr.org/about/aboutnpr/publicradiofinances.html>

²⁵⁵ Stephen Dinan, *GOP puts NPR on Chopping Block*, Washington Times (October 22, 2010)

<http://www.washingtontimes.com/news/2010/oct/22/gop-puts-npr-chopping-block/?page=1>

²⁵⁶ NPR 2008 Annual Report on Sponsors, <http://www.npr.org/about/aboutnpr/annualreports/NPRsponsorsDonors08.pdf>

than 34 percent of total revenue. Donations from businesses, universities, and foundations make up an additional 42.6 percent, while direct government subsidies only represent 5.8 percent.²⁵⁷

NPR has almost \$426 million in total net assets, with almost \$200 million in unrestricted net assets (i.e., these funds can be spent as NPR wishes).²⁵⁸ NPR also has an endowment of more than \$200 million.²⁵⁹

CPB is instructed by law to at least appropriate 95 percent of its federal appropriation to support local television and radio stations, programming, and improvements to the public broadcasting system.²⁶⁰ In other words, CPB exists to support public media, including PBS and NPR. CPB boasts almost \$93 million in total unrestricted net assets.²⁶¹ Clearly, public media is ready to truly be independent and exist without federal funds.

Ending Federal Funding would allow for Truly Independent Public Media. While there is no doubt that NPR and PBS and their respective member stations are popular with many Americans, it is also clear that the views expressed by these entities do not represent all taxpayers. Just like competing media outlets, NPR and PBS present views and opinions that are perceived differently by the American public. The only difference is that NPR and PBS receive federal funding.

These entities, however, appear to be poised to exist without dependence on federal funds. NPR has stated that it is not reliant on federal subsidies any more, and the media marketplace has also demonstrated that federal taxpayer dollars are not needed to ensure adequate media coverage of news events. These two developments ensure that Congress can end funding for CPB. In fact, such a move will result in a stronger NPR and PBS that is not micromanaged by politicians and subject to political agendas. NPR and PBS could finally compete with other media outlets on equal footing.

PBS asserts on its website that it provides “more local stories, independent journalism, arts and culture to Americans than any other media enterprise. In addition, PBS is closing the achievement gap in schools and changing the face of classroom learning.”²⁶² Removing federal appropriations will not lessen, but increase the “independence” of PBS and, hopefully, increase its effectiveness and popularity.

As our national debt continues to increase, Congress must prioritize taxpayer funds for only national priorities. It is time for Congress to end appropriations for public media outlets and let them compete as independent entities.

²⁵⁷ NPR, *Public Radio Finances*, <http://www.npr.org/about/aboutnpr/publicradiofinances.html>

²⁵⁸ National Public Radio, *Consolidated Financial Statements: Year Ended September 30, 2009*, http://www.npr.org/about/aboutnpr/statements/fy2009/2009_LA_NPR_Cons.pdf

²⁵⁹ Jack Shafer, *Kill NPR To Save It: The best way to end Republican meddling*, Slate.com (October 25, 2010) <http://www.slate.com/id/2272284/pagenum/all/#p2>.

²⁶⁰ Corporation for Public Broadcasting, *Who Pays for Public Media?*, <http://www.cpb.org/aboutpb/faq/pays.html>

²⁶¹ Corporation for Public Broadcasting, Report of Independent Auditors, *Combined Statement of Financial Position September 30, 2009 and 2008*, <http://www.cpb.org/annualreports/2009/images/stories/docs/CPB2009financialsFINAL.pdf>

²⁶² Pioneer Public TV website, “What is Pioneer,” <http://www.pioneer.org/pioneerandPBS.php>.

CPB currently receives well over \$400 million annually in funding from Congress. Elimination of this funding would result in savings of **\$5.6 billion over the next ten years** and allow NPR and PBS to continue to exist as true independent media sources.

Estimated Ten-Year Savings: \$5.6 billion²⁶³

National Archives and Records Administration (NARA). The National Archives and Records Administration was created in 1934 to centralize the federal government’s record-keeping underneath a single federal official, the Archivist of the United States.²⁶⁴ Its duties are numerous, but can be broadly categorized as administering “regional archives, Federal records centers, Presidential libraries, the Federal Register, and the National Historical and Publications Commission.”²⁶⁵ This includes managing presidential records following each administration. According to NARA, while it collects an enormous volume of documents each year, it preserves in perpetuity only approximately one to three percent of the most important ones.

The budget for NARA in 2010 was \$457 million,²⁶⁶ representing a 40 percent increase in just four years. While most of this goes towards salaries, facilities and information technology, some of the larger line items included \$85.5 million for the Electronic Record Archive and \$13 million for the National Historical Publications and Records Commission grant program.²⁶⁷ Unfortunately, both of these items have in recent years come under criticism for poorly using taxpayer dollars.

The Electronic Records Archive (ERA) is a massive project NARA undertook in 2001 to create a public portal for millions of electronic government records. Its primary challenge is to also do so in a way that will preserve the records even in the face of unknown technological advances. While ERA is an important and groundbreaking project, a January 2011 GAO report found mismanagement and that the project had “weaknesses in most areas.”²⁶⁸ The result has been massive cost overruns; original estimates for development started at \$317 million but since climbed as high as \$1 billion.²⁶⁹ Part of the problem arose when NARA awarded a cost-plus contract to Lockheed Martin Corporation, but then continually changed its mind about what it wanted. As the requirements shifted, the result was delay in the project by more than three and a half years.²⁷⁰

²⁶³ Republican Study Commission, *Operation Offset: RSC Budget Options 2005* (September 2005), http://pol.moveon.org/images/operation_offset/operation_offset.htm.

²⁶⁴ Website of the National Archives and Records Administration, “National Archives History,” (accessed July 13, 2011), <http://www.archives.gov/about/history/>.

²⁶⁵ Website of the National Archives and Records Administration, “National Archives History,” (accessed July 13, 2011), <http://www.archives.gov/about/history/>.

²⁶⁶ National Archives and Records Administration, 2012 Budget request, <http://www.archives.gov/about/plans-reports/performance-budget/2011/2012-performance-budget.pdf>.

²⁶⁷ National Archives and Records Administration, 2012 Budget request, <http://www.archives.gov/about/plans-reports/performance-budget/2011/2012-performance-budget.pdf>.

²⁶⁸ Government Accountability Office, “Electronic Records Archive: National Archives Needs to Strengthen Its Capacity to Use Earned Value Techniques to Manage and Oversee Development,” GAO-11-86, January 2011, <http://www.gao.gov/new.items/d1186.pdf>.

²⁶⁹ Government Accountability Office, “Electronic Records Archive: National Archives Needs to Strengthen Its Capacity to Use Earned Value Techniques to Manage and Oversee Development,” GAO-11-86, January 2011, <http://www.gao.gov/new.items/d1186.pdf>.

²⁷⁰ Government Accountability Office, “Electronic Records Archive: National Archives Needs to Strengthen Its Capacity to Use Earned Value Techniques to Manage and Oversee Development,” GAO-11-86, January 2011, <http://www.gao.gov/new.items/d1186.pdf>.

NARA has struggled also to manage the records it already has. An October 2010 GAO report found that, “NARA has a large and persistent backlog of records on paper and other media needing preservation actions.”²⁷¹ Though the backlog has been a problem for years, NARA has accomplished little in reducing it.

The agency’s most popular grant program, administered by the National Historical Publications and Records Commission (NHPRC), has also come into question. NHPRC grants have been used to help archiving projects of note, but its funding has in some instances been misused. A recent inspector general audit of a \$762,320 grant to help the Supreme Court Historical Society (SCHS) produce *The Documentary History of the Supreme Court of the United State, 1789-1800* found problems even with this important and well-regarded project: “Thus, while SCHS successfully published the final two volumes of *The Documentary History of the Supreme Court of the United States, 1789-1800* project, receiving favorable editorial reviews, we questioned the entire federal grant award of \$762,320 because timesheets were not maintained to support/document labor costs incurred by SCHS.”²⁷²

Cap Funding for ERA at \$567 Million for Development. NARA’s management difficulties require that total funding for this project be capped to ensure that ERA funding is used effectively. This proposal would cap the amount for development at \$567 million, which tracks with NARA’s current estimate for this phase. GAO projects it could cost up to \$1 billion. Capping the cost at this level will require better management get the project back on track.

Estimated Ten-Year Savings: \$433 million

Reduce NHPRC Funding by 50 Percent. NHPRC has been funded at \$13 million over the past two years, and reducing this program by 50 percent would effectively return the program to 2007 levels.

Estimated Ten-Year Savings: \$72.1 million

Federal Communications Commission. The Federal Communications Commission (“FCC” or “Commission”) regulates interstate and international communications by radio, television, wire, satellite, and cable in all 50 states, the District of Columbia and U.S. territories. The FCC was established by the Communications Act of 1934.²⁷³ The Commission is an independent federal agency, but its five members are appointed by the President and confirmed by the Senate. Its mission is to ensure that the American people have available, at reasonable cost and without discrimination, rapid, efficient, nation- and world-wide communication services.²⁷⁴ The Commission’s 2010 budget was \$335.7 million, and for FY2012, the FCC requested a budget of \$354 million.²⁷⁵

²⁷¹ Government Accountability Office, “National Archives and Records Administration: Oversight and Management Improvements Initiated, but More Action Needed,” October 2010, GAO-11-15, <http://www.gao.gov/new.items/d1115.pdf>.

²⁷² National Archives and Records Administration, Office of Inspector General, OIG Report No. 10-01, National Historical Publications and Records Commission Grant No. 2004-026 Supreme Court Historical Society, October 26, 2009, <http://www.archives.gov/oig/pdf/2010/audit-report-10-01.pdf>.

²⁷³ Federal Communications Commission, *What We Do*, <http://www.fcc.gov/what-we-do>.

²⁷⁴ Federal Communications Commission, Fiscal Year 2012 Budget Estimates Submitted to Congress February 2011, Summary of Request, http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db0214/DOC-304636A1.pdf.

²⁷⁵ Federal Communications Commission, 2012 Budget Request, http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db0214/DOC-304636A1.pdf.

The FCC faces a number of complex challenges, but has struggled to manage in an effective way its high-cost programs. At the same time, other FCC programs are antiquated and unnecessary. For these, spending should be dramatically reduced.

Terminate Funding for the Telecommunications Development Fund (“TDF”). In 1996, Congress created the TDF to promote access to capital for small businesses, enhance competition in the telecommunications industry, and improve the delivery of telecommunications services to rural areas. TDF is funded by interest earnings from deposits on spectrum auctions. Since 1996, TDF has collected over \$100 million in interest that could have been used to pay down the national deficit. The Administration recently proposed that for FY2012, TDF receive no additional funding because the “program has not had a significant impact on its statutory goals and has generally experienced losses on the funds that it has invested in telecommunications firms. Ending funding for TDF would save \$7 million in 2012 and \$70 million over the next ten years.²⁷⁶

Estimated Ten-Year Savings: \$70 million

Extend the FCC’s Authority to Auction Licenses for the Use of Remaining Radio Spectrum. Since 1993, the FCC has raised approximately \$55 billion through its authority to assign radio spectrum licenses by competitive bidding. We recommend the FCC’s authority to conduct incentive auctions for spectrum space through 2021. The FCC authority will be predicated on a spectrum analysis of remaining spectrum, and the sale of all remaining space except for Block D. Auctions must be conducted within the next ten years and allow for multiple winning bids, with revenue maximization and competition as the guiding forces in setting up these auctions. Further, the FCC should transition towards a spectrum property rights model over this duration that enables companies to sell spectrum it has acquired. These actions will have a two-fold beneficial effect on the deficit reduction. Not only will the Treasury collect upwards of \$20 billion in receipts from the auctions that will be used to reduce the deficit, but expansion and increased efficiency use of the spectrum will result in higher economic activity and tax revenues.²⁷⁷ The auctioning off unused radio spectrum is estimated to increase revenue by \$20 billion, according to White House estimates.²⁷⁸

Estimated Ten-Year Revenues: \$20 billion

Federal Election Commission (FEC). The Federal Election Commission is a bi-partisan independent regulatory agency created by Congress in 1975 to administer and enforce the Federal Election Campaign Act (“FECA”)²⁷⁹ – the statute that governs the financing of federal elections. The duties of the FEC are to disclose campaign finance contributions, enforce provisions of FECA (such as limits and prohibitions on contributions), and to oversee the public

²⁷⁶ Office of Management and Budget, Fiscal Year 2012 Terminations, Reductions, and Savings, Budget of the U.S. Government, Termination: Telecommunications Development Fund, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/trs.pdf>.

²⁷⁷ Gross, Grant, ComputerWorld, *Spectrum incentive auctions would raise big bucks, say trade groups* (February 15, 2011), http://www.computerworld.com/s/article/9209498/Spectrum_incentive_auctions_would_raise_big_bucks_say_trade_groups?taxonomyId=15&pageNumber=1.

²⁷⁸ The White House, *President Obama Details Plan to Win the Future through Expanded Wireless Access* (February 10, 2011) <http://www.whitehouse.gov/the-press-office/2011/02/10/president-obama-details-plan-win-future-through-expanded-wireless-access>.

²⁷⁹ 2 U.S.C. § 431

funding of Presidential Elections.²⁸⁰ The Commission's FY2010 Budget was \$66 million, and it currently has 353 Full-Time Employees.²⁸¹

The FEC's informational, educational, and disclosure efforts are accomplished primarily through the FEC website, which has received over 100 million hits every year since 2004, and is expected to receive over 200 million in 2012.²⁸² In addition to listing all relevant campaign finance laws, the website provides guidance on all aspects of campaign financing, as well as making available all information from required disclosure documents. The robust nature of the website, along with the FEC's ability to convey guidance through its new YouTube channel, "FEctube,"²⁸³ calls into question the need for the Commission to continue hosting multiple conferences a year around the country, as well as the printing and publishing costs of guidance documents that are available to campaigns online free of cost.

Where enforcement is concerned the Commission, previously criticized as "toothless" and "designed to deadlock" by the *Washington Post*,²⁸⁴ appears more troubled now than ever. The longest serving current FEC Commissioner, Ellen Weintraub, even questioned the strength of the Commission at a recent public meeting, saying "The notion that we are a fierce investigative agency that people are quaking in their boots about is probably not the case. If it ever was the case, it certainly is not today."²⁸⁵ While the Commission claims credit for reviewing over 50,000 campaign finance reports, amendments, and statements en route to a 100 percent review of submitted documents for 2010, the average fine levied against campaigns, parties, and political action committees for violations has dropped from \$180,000 to \$42,000 since 2006.²⁸⁶ The commission has not conducted more than 20 campaign or PAC audits in a year since 2007, a time-span that has also seen the number of conciliation agreements has dropped from 91 to 29.²⁸⁷ In order for the Campaign Finance laws to be taken more seriously by all parties involved, enforcement has to be more rigid and will be better conducted by trial attorneys with the full force of the Department of Justice behind them.

Discontinue FEC sponsored conferences outside the Washington, DC Metro Area. The use of videoconferencing and FEctube have rendered in-person FEC-hosted conferences around the country unnecessary. Campaign officials have no shortage of ways to communicate with the Commission. This should reduce overall agency travel costs by 75 percent.²⁸⁸

²⁸⁰ "About the FEC." Federal Election Commission website. <http://www.fec.gov/about.shtml>.

²⁸¹ Federal Election Commission. FY2010 Performance and Accountability Report,

http://www.fec.gov/pages/budget/fy2010/par_2010.pdf.

²⁸² Federal Election Commission. FY2012 Congressional Budget Justification.

http://www.fec.gov/pages/budget/fy2012/FY_2012_Cong_Budget_Justification_final.pdf.

²⁸³ FEctube video channel. Available at <http://www.youtube.com/user/FEctube>.

²⁸⁴ "Toothless Watchdog." *The Washington Post*. December 28, 2008. Available at <http://www.washingtonpost.com/wp-dyn/content/article/2008/12/27/AR2008122700978.html>.

²⁸⁵ Knott, Alex. "FEC Falls Short on Enforcement, Commissioner Says." *Roll Call*. May 27, 2011.,

http://www.rollcall.com/news/FEC_falls_short_enforcement_commissioner_Weintraub-206027-1.html.

²⁸⁶ Lach, Eric. "FEC Commissioner Laments: We're Not Even Considered Toothless." *Talking Points Memo*,

http://tpmmuckraker.talkingpointsmemo.com/2011/05/fec_commissioner_laments_were_not_even_considered.php.

²⁸⁷ Lach, Eric. "FEC Commissioner Laments: We're Not Even Considered Toothless." *Talking Points Memo*,

http://tpmmuckraker.talkingpointsmemo.com/2011/05/fec_commissioner_laments_were_not_even_considered.php.

²⁸⁸ Federal Election Commission. FY2012 Congressional Budget Justification.

http://www.fec.gov/pages/budget/fy2012/FY_2012_Cong_Budget_Justification_final.pdf.

Estimated Ten-Year Savings: \$3.3 million

Discontinue printing and distribution of election law guidance and compliance documents.

The Commission no longer needs to print and distribute its guidance for campaigns when they can just as easily download the information from the Commission's website. This should reduce agency printing and postage costs by 75 percent.²⁸⁹

Estimated Ten-Year Savings: \$1.4 million

Reduce remaining budget by 30 percent. In accordance with cuts recommended at other independent agencies, we recommend a 30 percent across the board budget reduction.

Estimated Ten-Year Savings: \$210 million.

General Services Administration (GSA). GSA provides office space to more than one million federal employees in more than 9,600 owned or leased buildings, and offers more than 12 million products and services to other federal agencies.²⁹⁰ It was established to harness the purchasing power of the federal government and to handle a number of administrative matters common to every agency.

As government grows, it becomes all the more important for agencies' procurement efforts to be tracked, coordinated in order to build efficiencies and purchase in bulk whenever possible. To produce cost savings, GSA should ensure that the federal government is getting the best price for products. GSA's success in this area, though, has been mixed, and the government frequently overpays even for basic items. Product prices that agencies can access in the GSA catalogue are "ceilings" rather than the best price, and can lead to spending more than necessary. The problem is that GSA negotiates a "ceiling price" from which agencies may further negotiate, limiting the effectiveness of federal purchasing power. GSA should eliminate the practice of price ceilings and negotiate the lowest price possible.

Freeze funding for construction and acquisition of new buildings for five years. The federal government has an unacceptable amount of excess and underutilized federal real property due to mismanagement by agencies and political pressures from Congress. This glut of unneeded property is costing the American taxpayer dearly; to the tune of \$1.7 billion annually to operate and maintain.²⁹¹ The government should freeze construction of new office space until the current real property backlog is cleared out. This proposal calls for a five year freeze in funding for construction and acquisition of federal buildings, which was funded at \$813 million in FY 2010.²⁹² The President has proposed a civilian Base Realignment and Closure (BRAC) process that if enacted may be able to reduce the majority of the unneeded and mismanaged property. If at the end of five years significant problem still exist, Congress should continue to withhold funding for new buildings. **Estimated Ten-Year Savings: \$4.7 billion**

²⁸⁹ Federal Election Commission. FY2012 Congressional Budget Justification.

http://www.fec.gov/pages/budget/fy2012/FY_2012_Cong_Budget_Justification_final.pdf.

²⁹⁰ General Services Administration, FY 2010 Summary of Performance and Financial Information,

<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/gsa.pdf>.

²⁹¹ Government Accountability Office, "Federal Real Property: Progress Made on Planning and Data, but Unneeded Owned and Leased Facilities Remain", April 6, 2011, <http://www.gao.gov/products/GAO-11-520T>.

²⁹² Garrett Hatch, Congressional Research Service, Financial Services and General Government (FSGG): FY2011 Appropriations, July 11, 2011, http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41340&Source=search#_Toc298253720.

Presidio Trust. The Presidio Trust was established to manage the hundreds of houses, office building and other facilities that make up the former Presidio military base in San Francisco, Calif.²⁹³ One of the oldest military posts in the United States, the 1,491-acre Presidio was in continuous use from 1776 to 1994, first by the Spanish, then by Mexican forces, and finally by the United States.²⁹⁴ The Presidio was transferred to the U.S. Park Service in 1994, and the Trust was established by federal law two years later.²⁹⁵ The Trust has received millions in taxpayer dollars every year since then, although the law creating it established a sunset of 2013 for federal funding.²⁹⁶ In 2012, President Obama requested \$12 million for the Presidio Trust.²⁹⁷

End Funding for the Presidio Trust. While the Presidio has undoubted historic importance, it has developed healthy revenue from private sources. In light of the nation's more pressing economic priorities, this recommendation would zero out funding to the Presidio for 2012, a year before its enacting legislation required it to stand on its own.

Estimated Ten-Year Savings: \$12 million.

Woodrow Wilson International Center for Scholars. The Wilson Center is a congressionally-charted non-profit organization founded in 1968, and today is “engaged in the study of national and world affairs.” Funding is provided every year by a combination of federal and private sources, with the federal portion reaching \$12.25 million in both 2010 and 2011.²⁹⁸ The work of the center is to bring together policy makers, journalists, business leaders and others for discussion, and it also provides up to 23 fellowships a year worth up to \$85,000 for public policy research.²⁹⁹ While this is a valuable endeavor, countless private think tanks, academic institutions, new organizations and businesses already provide avenues for this form of research and discussion.

Reduce Federal Funding for the Woodrow Wilson International Center for Scholars by 30 Percent. The government should end future payments to the Woodrow Wilson International Center, which would save \$12.25 million in the first year. The Wilson Center has demonstrated a strong ability to raise private finances, as demonstrated by its dozens of private and corporate donors, and does not require federal funding. In 2009 alone, the center received four non-federal contributions well over \$1 million, as well as donations over \$100,000 from AT&T, BAE Systems, the Ford Foundation, United Airlines, Exxon Mobil, Chevron and Morgan Stanley.³⁰⁰

²⁹³ Office of Management and Budget, “The Appendix, Budget of the United States Government, Fiscal Year 2012,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/oia.pdf>.

²⁹⁴ “Presidio History,” Presidio Trust website, <http://www.presidio.gov/history/history/>, accessed July 14, 2011.

²⁹⁵ “Post to Park (1994-Present),” Presidio Trust website, <http://www.presidio.gov/history/history/park.htm>, accessed July 14, 2011.

²⁹⁶ Government Printing Office, “Public Law 104-333,” http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=104_cong_public_laws&docid=f:publ333.104, accessed July 14, 2011.

²⁹⁷ Office of Management and Budget, “The Appendix, Budget of the United States Government, Fiscal Year 2012,” <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/oia.pdf>.

²⁹⁸ Website of the Woodrow Wilson International Center for Scholars, 2012 budget request, <http://www.wilsoncenter.org/FederalBudgetRequest2012.pdf>.

²⁹⁹ Website of the Woodrow Wilson International Center for Scholars, “Fellowships @ The Wilson Center 2012-2013,” (accessed July 14, 2011), <http://www.wilsoncenter.org/index.cfm?fuseaction=fellowships.welcome>.

³⁰⁰ Woodrow Wilson International Center for Scholars, Annual Report, “The Year in Review: October 1, 2009-September 30, 2010,” http://www.wilsoncenter.org/about/WWC_AR09-10.pdf.

The foundation's net assets at the end of 2009 were over \$114 million.³⁰¹ Former President Lee Hamilton was paid a significant salary in 2009, earning over 412,000 and exceeding the salary of the President of the United States.³⁰² Hamilton has since been succeeded in his position by former congresswoman Jane Harman.³⁰³ A 30 percent reduction would yield \$3.8 million in savings for the first year.

Estimated Ten-Year Savings: \$40.8 million

Marine Mammal Commission (MMC). The Marine Mammal Commission (MMC) is an independent federal agency that provides oversight of the marine mammal conservation policies and programs being carried out by National Marine Fisheries Service and U.S. Fish and Wildlife Service but does not have management responsibilities.³⁰⁴ The MMC also carries out a small research program focused on conservation efforts. While priority is given to research projects less likely to be funded by traditional research agencies, this small program funds research projects that could be covered under other larger programs within NOAA's National Marine Fisheries Service or should not be funded.³⁰⁵

The Commission consists of three members who are nominated by the President and confirmed by the Senate and is assisted in its work by a nine-member Committee of Scientific Advisors on Marine Mammals, one special advisor and 13 staff members. The total agency budget was \$3.2 million in FY2011 to pay for the salaries of this staff and for research projects like "Compilation and analyses of photographs of Irrawaddy dolphins in the Mekong River."^{306 307}

Reduce Funding for the Marine Mammal Commission. President Obama recommends decreasing funding for this commission to \$3 million this year.³⁰⁸ This budget recommends eliminating its duplicative research component and decreasing annually appropriations to \$2 million, saving taxpayers \$1 million in FY12 and \$10 million over ten years.

Estimated Ten-Year Savings: \$10 million

Federal Trade Commission. The Federal Trade Commission ("FTC") maintains that its jurisdiction extends to both protecting consumers and maintaining economic competition. The FTC "enforces the laws that prohibit business practices that are anticompetitive, deceptive, or unfair to consumers, and seeks to do so without impeding legitimate business activity."³⁰⁹ While the FTC has occupied an historic building on Pennsylvania Avenue in Washington, D.C. for

³⁰¹ Woodrow Wilson International Center for Scholars, Annual Report, "The Year in Review: October 1, 2009-September 30, 2010," http://www.wilsoncenter.org/about/WWC_AR09-10.pdf.

³⁰² Tax form 990 for the Woodrow Wilson International Center for Scholars for 2009, <http://www.wilsoncenter.org/990.pdf>.

³⁰³ Website of the Woodrow Wilson International Center, Press Release, "Representative Jane Harman (D-Calif.) to Lead the Woodrow Wilson International Center for Scholars," February 8, 2011, http://www.wilsoncenter.org/index.cfm?fuseaction=news.item&news_id=652324.

³⁰⁴ Website of the Marine Mammal Commission, (accessed July 14, 2011), <http://www.mmc.gov/about/welcome.shtml>.

³⁰⁵ Marine Mammal Commission Website, "The Commission's Research Program," <http://www.mmc.gov/research/welcome.shtml>.

³⁰⁶ Congressional Research Service, "Commerce, Justice, Science, and Related Agencies: FY2012 Appropriations," May 12, 2011, (R41721), <http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41721&Source=search>.

³⁰⁷ Marine Mammal Commission Website, "The Commission's Research Program," <http://www.mmc.gov/research/welcome.shtml>.

³⁰⁸ Congressional Research Service, "Commerce, Justice, Science, and Related Agencies: FY2012 Appropriations," May 12, 2011, (R41721), <http://www.crs.gov/pages/Reports.aspx?PRODCODE=R41721&Source=search>.

³⁰⁹ Federal Trade Commission, *Fiscal Year 2012 Congressional Budget Justification Summary*, <http://www.ftc.gov/ftc/oed/fmo/budgetsummary12.pdf>.

more than 70 years, Rep. John Mica (R-Fla.) recently introduced legislation to move the FTC to another building and give the former FTC space to the National Gallery of Art to use as an Annex. The FTC Commissioners argued the proposal “could impose additional costs on the American taxpayer from the need to replicate important functions of the FTC in a new building, including construction of courtrooms and replacement of infrastructure.”³¹⁰ The Commissioners, in fact, are correct; it will cost the American taxpayer, over \$20.2 million to be exact.³¹¹

Leave FTC Office in Current Location. In the FTC 2012 budget, FTC requests \$20.2 million in additional funding for costs associated with the move.³¹² The FTC should stay where it is.

Estimated cost savings: \$20.2 million

FINANCIAL REGULATORY AGENCIES

Securities and Exchange Commission (SEC). The SEC is an independent federal agency established pursuant to the Securities Exchange Act of 1934.³¹³ It is headed by a bipartisan five-member Commission, comprised of the Chairman and four Commissioners, who are appointed by the President and confirmed by the Senate. The Chairman serves as the CEO. The SEC is organized into five main divisions: 1) Enforcement; 2) Corporation Finance; 3) Investment Management; 4) Trading and Markets; and 5) Risk, Strategy, and Financial Innovation. The SEC’s headquarters are in Washington, D.C., and it has 11 regional offices located throughout the country.

In FY 2010, the SEC budget was \$1.57 billion, consisting of current-year offsetting collections in the amount of \$1.1 billion, \$452 million for a one-time payment for a new SEC Investor Protection Fund (designed to compensate Wall Street whistleblowers), and \$24 million in funds carried over from prior fiscal years.³¹⁴ In FY 2010, the agency employed 3,748 Full-time Equivalents (FTE), including 3,664 permanent and 84 temporary FTE’s.³¹⁵

Eliminate the Investor Protection Fund. The Investor Protection Fund, created by the 2010 Dodd-Frank bill, provides funding for a whistleblower award program, in which the SEC will make award payments from the Fund to eligible people who voluntarily provide “original information” to the SEC “leading to” successful enforcement of a judicial or administrative action in which monetary sanctions exceeding \$1 million are imposed.³¹⁶ The SEC has discretion to reward between 10 percent and 30 percent of the monetary sanctions to the whistleblower, and the fund would be financed in the future by transferring a portion of

³¹⁰ Jacqueline Trescott, Plans for National Gallery of Art Annex Gains Traction, Washington Post (February 17, 2011), <http://www.washingtonpost.com/wp-dyn/content/article/2011/02/17/AR2011021706601.html>.

³¹¹ Federal Trade Commission, *Fiscal Year 2012 Congressional Budget Justification Summary*, <http://www.ftc.gov/ftc/oed/fmo/budgetsummary12.pdf>.

³¹² Federal Trade Commission, *Fiscal Year 2012 Congressional Budget Justification Summary*, <http://www.ftc.gov/ftc/oed/fmo/budgetsummary12.pdf>.

³¹³ 15 U.S.C. § 78(a) et. seq.

³¹⁴ Securities and Exchange Commission, FY 2010 Performance and Accountability Report, <http://www.sec.gov/about/secpar/secpar2010.pdf#2010review>.

³¹⁵ Securities and Exchange Commission, FY 2010 Performance and Accountability Report, <http://www.sec.gov/about/secpar/secpar2010.pdf#2010review>.

³¹⁶ Securities and Exchange Commission, FY 2010 Performance and Accountability Report, <http://www.sec.gov/about/secpar/secpar2010.pdf#2010review>.

monetary sanctions collected by the SEC in judicial and administrative actions. The SEC already receives thousands of tips every year without a financial incentive – continuing this fund is unnecessary and could unintentionally encourage profit-seeking employees to undermine companies' internal compliance efforts for their own gain.

One-time savings of \$452 million

Commodity Futures Trading Commission (CFTC). The CFTC is an independent federal agency established pursuant to the Commodity Futures Trading Commission Act of 1974.³¹⁷ It is headed by a bipartisan five-member Commission, comprised of the Chairman and four Commissioners, who are appointed by the President and confirmed by the Senate. The Chairman serves as that CEO. The CFTC is organized into three main divisions: Market Oversight; Clearing and Intermediary Oversight; and Enforcement. The CFTC's headquarters are in Washington, D.C. and it has 3 regional offices located in Chicago, Kansas City, and New York. In FY 2010, the CFTC had a budget of \$168 million and employed 605 FTE's.³¹⁸

Merge the SEC With the CFTC to Eliminate Overlap and Duplication in Regulation. Financial markets are complicated entities, as are the instruments they produce. Modern financial markets and products are regulated by a messy cross-stitching of federal, state, local, and industry rules that lead to significant confusion and decrease transparency, efficiency, and fairness for investors. This patchwork has developed reactively over time and fails to account for the realities of modern financial instruments, which share many characteristics and are frequently traded across markets by the same financial institutions. We must devise a more sensible, consistent, and predictable federal system for regulating our financial markets if we want them to remain the envy of the world.

A merger between the SEC and CFTC would eliminate much of the confusion that currently exists in the market as it relates to regulatory oversight of financial products. This problem is not new, and until now has been dealt with by a series of inter-agency agreements and federal court rulings. Recent developments in financial markets and new instruments, however, have intensified the amount of confusion, overlap, and turf battles between the two regulators.

Past fights over jurisdiction have come with heavy costs; lawyers from the agencies have spent enormous agency resources fighting each other for turf rather than regulating the markets, resulting in large inefficiencies and costs arising from delayed action. A GAO report from April, 2010, captures the ongoing problem of overlap:

As early as the 1970s, however, the emergence of derivative products with characteristics of both futures and securities led to periodic disputes concerning which agency should have regulatory jurisdiction over certain new products. These jurisdictional disputes have at times consumed significant agency resources and resulted in lengthy delays in introducing product innovations to the markets. Moreover, the futures and securities markets have increasingly overlapped in terms of market participants, raising concerns about duplicative or inconsistent regulation of entities that engage in similar activities.

³¹⁷ 7 U.S.C. §1 et. seq.

³¹⁸ Commodities Futures Trading Commission, FY 2010 Performance and Accountability Report, <http://cftc.gov/ucm/groups/public/@aboutcftc/documents/file/2010par.pdf>

Despite efforts by CFTC and SEC in recent decades to resolve these issues, concerns about remaining overlaps, gaps, and inconsistencies in their oversight have led to calls for a merger of the two agencies, or absent a merger, greater harmonization of their regulatory approaches.³¹⁹

In January of 2009 Treasury officials unveiled a plan to reform oversight of the financial markets, much of which was enacted into law in the form of the Dodd-Frank legislation. Contained within the plan was a proposed merger between the SEC and the CFTC. SEC Commissioner Luis Aguilar publicly supported the plan during a speech in early 2009.

This merger makes sense . . . For many years, market participants and regulators have not been entirely certain about whether certain products were subject to SEC or CFTC jurisdiction. An SEC-CFTC merger would answer the question of "who" regulates financial services, market participants, and products.³²⁰

Since then, SEC Chairman Mary Schapiro and SEC Commissioner Elisse Walter have also opined publicly that the two agencies should be merged, Schapiro in testimony before the Banking Committee and Walter at a conference late in 2009 when she said the agencies' jurisdictions have grown "increasingly indistinguishable."³²¹ Even would be subjects of regulation applauded the proposed merger. Robert Greifeld, the CEO of Nasdaq, said it was long overdue, noting "Two different agencies with two very different approaches essentially monitor the same securities."³²²

Despite the enthusiasm for a merger from many interested parties, the language in question was removed from the final version of the Dodd-Frank bill that passed.

On October 16, 2009, the two agencies instead issued a joint report on "Harmonization of Regulation."³²³ This was a plan for how to move forward in such a way that the regulations issued by both agencies did not trip over one another. Again, the two agencies on May 11, 2010 formed a joint "Advisory Committee on Emerging Regulatory Issues", made up of largely of former SEC and CFTC leadership.³²⁴ Both efforts have come as officials from the two agencies recognize the need to eliminate confusion over their respective roles.

³¹⁹ Government Accountability Office, "Financial Regulation: Clearer Goals and Reporting Requirements Could Enhance Efforts by CFTC and SEC to Harmonize Their Regulatory Approaches," GAO-10-410, April 2010, <http://www.gao.gov/new.items/d10410.pdf>.

³²⁰ Speech by SEC Commissioner Luis A. Aguilar, "Empowering the Markets Watchdog to Effect Real Results," January 10, 2009, <http://www.sec.gov/news/speech/2009/spch011009laa.htm>.

³²¹ Westbrook, Jesse, "SEC Should Police Swaps, Merge With CFTC, Walter Says," *Bloomberg*, March 2, 2009, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=ajEyt7d_5xoY&refer=home. See also "Plans and Prospects for Financial Regulatory Reform" at <http://www.sec.gov/news/speech/2010/spch042310ebw.htm>, calling the dividing line between the agencies "arbitrary and illogical."

³²² Younglai, Rachelle, "SEC needs to merge with CFTC: Nasdaq CEO," *Reuters*, January 8, 2009, <http://www.reuters.com/article/idUSTRE5077FW20090108>.

³²³ A Joint Report of the SEC and the CFTC on Harmonization of Regulation, <http://www.sec.gov/news/press/2009/cftcjointreport101609.pdf>.

³²⁴ SEC Website, "Joint CFTC-SEC Advisory Committee on Emerging Regulatory Issues", <http://www.sec.gov/spotlight/sec-cftcjointcommittee.shtml>.

A merger of the two agencies will not only provide stability to securities and futures markets by lowering compliance costs and decreasing confusion, it will save taxpayers significant amounts of money in administration and personnel costs.

Estimated Ten-Year Savings: 2.82 billion

INDEPENDENT AGENCIES TEN YEAR SAVINGS

Discretionary: \$48.89 billion

Total: \$48.89 billion