

Congress must slay the fiscal beast

By Thomas Schatz
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In the parable of Heracles' 12 labors, the many-headed Hydra of Lerna presented a particularly nasty challenge: it grew stronger under attack. When Heracles used his sword to hack at the beast, two heads grew in place of each he managed to remove.

Members of Congress engage in a similarly futile struggle, attacking problems by creating new programs, which have multiplied into a tangle of overlapping, unaccountable monsters, devouring more and more of the taxpayers' hard-earned money.

Heracles' final labor involved the defeat of Cerberus, Hades' three-headed hound guardian of the underworld. In March, Congress faces a similar tri-pronged challenge when the debt ceiling must be extended, the six-month continuing resolution for fiscal year 2013 expires, and the two-month delay of \$110 billion in spending cuts from sequestration comes to an end. Members must be well-prepared to slay this fiscal beast.

The best place to begin would be to consider the overlapping and duplicative programs that have been identified in two reports by the Government Accountability Office (GAO) from 2011 and 2012. According to Senators Tom Coburn (R-Okla.) and Jeff Sessions (R-Ala.), the total cost of these programs is \$400 billion annually.

For example, the March 2012 GAO annual report cited 209 STEM programs costing \$3.1 billion spread across 13 agencies in fiscal year (FY) 2010. More than one-third of these programs were first funded between FYs 2005 and 2010, yet U.S. students are still lagging behind students in other nations in math and science achievement. GAO stated that 173 of the 209 programs overlapped with at least one other program, and that the addition of so many new programs in a short period of time has been a direct cause of inefficiency and ineffectiveness. Like the Hydra at Lerna, attacking the problem created a larger and more complex predicament.

There are 47 job-training programs in nine agencies that cost \$18 billion in FY 2009. Program analysis is virtually non-existent. Since 2004, only five have had an impact study and about half have not had a single performance review, so not much is known about the programs' effectiveness.

There are 45 federal programs that cost \$4.1 billion across nine agencies that support employment for people with disabilities; 14 are run by the Department of Labor alone. In June 2012, GAO reported that "little is known about the effectiveness of these programs," and only 10 programs reported that an evaluation of outcomes had been conducted in the last five years.

Finally, the most absurd example of all: there are 56 programs across 20 agencies designed to improve the financial literacy of the American people. Should a government that is itself going broke be trying to teach others how to balance their checkbooks? While it would be funny if it wasn't so sad, there is insufficient financial data on the cost of these financial literacy programs.

If past is prologue, the way Congress handles its spending decisions over the next three months will have immediate effects on the economy. Concerns over raising the debt ceiling and the subsequent downgrade of U.S. credit caused a 2,000-point drop in the Dow Jones Industrial Average between July 21, 2011 and August 10, 2011. On the other hand, news of the fiscal cliff agreement led to a 308-point rise in the Dow on January 2, 2013; avoiding the debacle that occurred in the summer of 2011 might lead to an even greater positive response on Wall Street.

At Lerna, Heracles ultimately defeated the Hydra by cauterizing its wounds, preventing the growth of new heads. Congress and the White House must take a similar approach by agreeing to an immediate moratorium on any new programs, and then undertaking a 60-day review of the waste, inefficiency, overlap, and duplication in existing federal programs. Congress would then consider the findings in conjunction with the upcoming fiscal challenges.

It is time to cut the multi-headed beast down to size and provide taxpayers with a tamer, smaller, and more effective government.

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