

ISSUE BRIEF

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House Can Save \$2.3 Billion More on the Commerce, Justice, and Science Bill

Emily J. Goff and Romina Boccia

House appropriators are considering the fiscal year (FY) 2014 Commerce, Justice, Science (CJS) appropriations bill in full committee this week.¹ The bill would allocate \$47.4 billion for commerce, justice, science, and related agencies—only \$350 million (1 percent) less than the FY 2013 post-sequestration level. House appropriators can do better than that.

There is ample room in the CJS bill to eliminate or reduce funding for agencies and programs whose activities are duplicative or inappropriate for the federal government to undertake. The following examples show how Congress could save an additional \$2.3 billion.

Cut Waste and Expand Contracting at NASA. Savings: \$362 Million. Through its Advanced Food Technology Project, the National Aeronautics and Space Administration (NASA) is spending \$1 million annually on taste-testing creative menu items for trips to Mars. As Senator Tom Coburn (R-OK) has noted, NASA has made no plans for manned spaceflight to Mars—making this project an even lower budget priority in the current fiscally constrained environment. It also falls outside the

basic science research to which NASA should limit itself.²

Congress should also require NASA to expand its contracting with private firms to provide manned and unmanned space transportation and rockets. Using the \$3.6 billion the CJS bill provides for space exploration as a benchmark, even a 10 percent budget reduction due to increased contracting would yield \$361 million in savings.

Eliminate National Science Foundation (NSF) Education and Human Resource Funding. Savings: \$825 Million. The scope of NSF activities has expanded far beyond the agency's original purpose of providing basic science research, which has led to inefficiency and wasteful spending. NSF education programs duplicate those within the Department of Education and others run by state and local governments. For example, the Government Accountability Office reported that NSF is one of five agencies that oversee 82 teacher-quality programs, illustrating widespread duplication within the federal government.³ The Congressional Budget Office (CBO) listed elimination of NSF spending on elementary and secondary education in its 2009 budget options report.⁴

Congress should cut this spending to force efficiencies at NSF and decrease the instances of overlapping federal programs.

Eliminate the International Trade Administration. Savings: \$442 Million. The International Trade Administration (ITA) subsidizes the export activities of private businesses that are quite capable of promoting their own services and products abroad. Moreover, the ITA enforces the harmful antidumping and countervailing duty laws.⁵ Several

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The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002
(202) 546-4400 | heritage.org

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other agencies are also involved in export-promotion activities, wasting additional resources. For example, there are six agencies that promote exports for small businesses, including the Department of Agriculture and the State Department. The trade bureaucracy is wildly overgrown.

One possible solution: Congress eliminates the ITA to reduce duplication and federal meddling in international trade, and saves taxpayers money.

Devolve the Legal Services Corporation to the Local Level. Savings: \$300 Million. Intended to provide legal aid to eligible poor people, the Legal Services Corporation (LSC) winds up serving special interests at taxpayer expense instead of the constituents the program was created to help. The CBO listed the elimination of the LSC in its 2009 budget options report, noting that groups that get LSC grants already get funding from state and local governments and private organizations, as well as pro bono work from attorneys.⁶ The CBO also emphasizes that the LSC's activities "too often focus on social causes rather than on meeting the needs of poorer people with routine legal problems."

Congress should end the LCS and devolve it to local governments and the private sector.

Eliminate the Economic Development Administration and Sell Outstanding Loans. Savings: \$221 Million. Instead of assuming responsibility for myriad programs that are local priorities, the federal government should focus on a limited number of national duties. The Economic Development Administration's (EDA) economic development assistance programs, for example, are beyond the scope of a limited federal government. They also duplicate the function of many other federal agencies, including the Tennessee Valley

Authority, the Appalachian Regional Commission, the Department of Housing and Urban Development, and the Small Business Administration.

The EDA should be ended for much the same reason that some of these regional development agencies could be eliminated and devolved to the local level: State and local governments should be responsible for paying for regional development programs, as their citizens benefit directly from the programs. Devolving these activities would encourage transparency and reduce federal spending waste. The proposed savings of \$221 million result from ending the economic development assistance grants and the EDA's administrative expenses.

Eliminate the Hollings Manufacturing Extension Partnership. Savings: \$120 Million. The Hollings Manufacturing Extension Partnership is a subsidy for consultants, business advisors, and U.S. manufacturers. Improving the efficiency and profitability of U.S. manufacturers in collaboration with states and industry should not be a federal priority. U.S. manufacturers can make the necessary investments to increase efficiency and profitability on their own. Taxpayer money should not offset investments that are within the purview of the private sector.

Eliminate the Minority Business Development Agency (MBDA). Savings: \$27 Million. Subsidies for minority businesses favor certain businesses over others, thereby interfering with free-market competition. Congress should not choose winners and losers in the marketplace. Further, the activities of the MBDA duplicate some of the services provided by the Small Business Administration.

Rather than singling out groups of people, Congress should remove onerous regulatory and

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1. Fiscal Year 2014 Commerce, Justice, Science (CJS) Appropriations bill, House Appropriations Subcommittee draft legislation, 113th Cong., 1st Session., <http://appropriations.house.gov/uploadedfiles/bills-113hr-sc-ap-fy2014-cjs-subcommitteedraft.pdf> (accessed July 16, 2013).
 2. Senator Tom Coburn, *Wastebook 2012*, October 2012, pp. 17-19, http://www.coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=b7b23f66-2d60-4d5a-8bc5-8522c7e1a40e (accessed July 16, 2013). See also Ramit Plushnick-Masti, "NASA Builds Menu for Planned Mars Mission in 2030s," Associated Press, July 17, 2012, <http://bigstory.ap.org/article/nasa-builds-menu-planned-mars-mission-2030s> (accessed July 16, 2013).
 3. Alison Acosta Fraser, "Federal Spending by the Numbers-2012," Heritage Foundation *Special Report* No. 121, October 16, 2012, p. 15, <http://www.heritage.org/research/reports/2012/10/federal-spending-by-the-numbers-2012>.
 4. Congressional Budget Office, "Budget Options Volume 2," August 2009, p. 38, <http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/102xx/doc10294/08-06-budgetoptions.pdf> (accessed July 15, 2013).
 5. Daniella Markheim, "Stop Zeroing in Anti-Dumping Investigations, Boost Trade," Heritage Foundation *WebMemo* No. 2805, February 17, 2010, <http://www.heritage.org/research/reports/2010/02/stop-zeroing-in-anti-dumping-investigations-boost-trade>.
 6. Congressional Budget Office, "Budget Options Volume 2," p. 161.

taxation burdens that harm business formation and success among all Americans.

Total Savings: \$2.297 Billion. As lawmakers continue to determine how much to spend on discretionary programs in FY 2014, they should make prudent spending reductions in areas that are redundant or in which federal involvement is inappropriate.

House appropriators can reduce spending in the CJS bill by an additional \$2.3 billion by prioritizing federal spending in accordance with taxpayer priorities.

—*Emily J. Goff* is Research Associate and *Romina Boccia* is Assistant Director of the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.