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10 Programs to Eliminate in the January 2014 Spending Bill—and Save $10.2 Billion

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After reaching an agreement to spend nearly $45 billion more in 2014 than allowed under the sequestration spending caps, Congress still needs to pass the now over $1 trillion discretionary spending bill into law. As congressional appropriators are adding the final touches to the omnibus bill expected the week of January 6, they would be wise to eliminate any and all of the following 10 programs:

1. The U.S. Department of Housing and Urban Development Community Development Block Grant (CDBG) program Savings[1]: $3.1 billion[2]

The CDBG program duplicates other federal housing and economic development programs, and has deviated from its original purpose of providing housing assistance and economic development to low-income communities. Instead, the grants have been diverted to wasteful parochial projects, which include funding a pet-shampoo company and issuing risky business loans. Congress should eliminate the CDBG program and devolve the activities it funds to the states.[3]

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2. The Department of Education competitive grant programs under the Elementary and Secondary Education Act (ESEA) Savings: $2 billion

The bulk of spending authorized under No Child Left Behind (NCLB) comes via formula grant programs such as Title I (funding for low-income school districts). However, there are numerous niche competitive grant programs, which have multiplied as federal government intervention into education has grown over the decades. These programs—of which there are roughly 60—range from federal art education programs and "Ready-to-Learn Television" to "Smaller Learning Communities." Most recently, the Race to the Top program gave preference for grant applications to those states that agreed to adopt national education standards and tests, an area regarded by tradition and law as a state and local matter. Many competitive grant programs under NCLB are duplicative or ineffective, and should be terminated. Congress should eliminate the majority of these competitive grant programs.

3. Job Corps Savings: $1.6 billion

Job Corps is a residential job-training program that seeks to serve disadvantaged youths ages 16 to 24, and has an abysmal record.[4] Numerous studies have found Job Corps to be ineffective at substantially increasing participants' wages and moving them into full-time employment. Even worse, as The Heritage Foundation's David Muhlhausen testified before the House Ways and Means Subcommittee on Human Resources on July 17, 2013, Job Corps has been shown to have negative effects. Based on a multisite experimental evaluation, Job Corps participants were *less* likely to earn a high school diploma than non-participants in a control group. Participants in the program also worked fewer weeks and worked fewer hours per week than similar teens and tweens in the control group.[5]

4. U.S. Department of Agriculture Food for Peace Title II grants
Savings: $1.5 billion

Food for Peace Title II grants make up the largest part of the federal food aid budget. The legal requirements binding the program make it inefficient and unnecessarily costly. Food must be purchased in the U.S. and then shipped across oceans in U.S.-flagged vessels, adding unnecessary logistical challenges to already-higher costs. In 2013, the Obama Administration proposed shifting the funding from the U.S. Department of Agriculture (USDA) Food for Peace program to the U.S. Agency for International Development (USAID), and reducing purchase and shipping restrictions. Congress should eliminate the purchase and shipping restrictions; Congress should also eliminate USDA funding for the program and require USAID to support the program with existing development funding.[6]

5. The Department of Transportation's Transportation Alternatives Program (TAP)
Savings: $800 million[7]

The Transportation Alternatives Program (TAP) funds bicycle paths, sidewalks and nature paths, community preservation and landscaping, despite the fact that such projects are purely local matters. Therefore they should be funded using local funds, by those who will benefit from the infrastructure. Federal funding for the TAP program comes from federal gas tax dollars deposited into the Highway Trust Fund—money that is intended for highway and bridge programs that benefit the motorists who pay the gas tax that funds the program. If the states and localities were responsible for managing and funding TAP activities, they would be free to spend money on projects that they value and, because they bear the full costs, would have an incentive to avoid funding low-value projects when higher-value priorities exist. Congress should eliminate this program and focus federal transportation dollars on national projects.[8]

6. The U.S. Department of Agriculture Conservation Technical Assistance program
Savings: $730 million[9]

The Natural Resources Conservation Service (NRCS) runs a costly technical-assistance program to help landowners maintain private land, enhance recreational opportunities for landowners, and improve the aesthetic character of private land. Private landowners are the best stewards of their land without government assistance, and can seek out private solutions if technical assistance is necessary. Taxpayers should not be forced to subsidize advice on how private landowners can best use their land or improve its visual appearance. The Ryan–Murray budget authorizes the NRCS to collect up to $150 per conservation plan to cover some of the costs provided to recipients of the technical assistance. If these user fees were employed to offset the taxpayer funding of technical assistance, rather than to increase discretionary spending in other areas, they would be a sound way to lessen the burden on taxpayers. Better yet, Congress should eliminate all funding for the program.

7. The Department of Transportation Essential Air Service (EAS) program
Savings: $200 million[10]

Following airline deregulation in 1978, Congress started subsidizing commercial flights in rural communities through the supposedly temporary Essential Air Service (EAS) program. Over three decades later, federal taxpayers are still funding these subsidies through the program. It is not federal taxpayers' responsibility to subsidize the flights of rural passengers who opt for air travel when cheaper or unsubsidized travel alternatives, such as ferries, are often available. Any subsidies for these flights should come from the local or state level, which are benefitting from the service—not from the federal government.

8. The Department of Energy's Advanced Manufacturing Program
Savings: $120 million

The Department of Energy's Advanced Manufacturing Program subsidizes activities leading to greater energy efficiency in American manufacturing processes with the goal of helping American manufacturers better compete globally. Manufacturers are well aware that energy represents a significant input cost, and face sufficient incentives to find ways to lower costs and gain a competitive advantage. American manufacturers will make energy-efficiency upgrades if they consider available technology promising, worth the risk, and the best use of their investment dollars. Congress should eliminate all funding for this corporate welfare program.[11]

9. The Rural Business Program Account
Savings: $100 million

The Rural Business Program Account deals with business and industry-guaranteed loans and rural business enterprise grants. Private capital will find its way to worthy rural investments. The federal government should not play venture capitalist with taxpayer money, including trying to serve allegedly underserved areas. Private actors will serve the area if it makes sound business sense. Congress should eliminate all funding for the Rural Business Program Account.

10. All State Department funding for the United Nations Population Fund (UNFPA)
Savings: $35 million

The United Nations Population Fund (UNFPA) faces continued allegations that it has been complicit in China's coercive one-child policy, which is often enforced through forced abortions and forced sterilizations.[12] Development assistance is in many cases better provided on a decentralized, private level with stakeholders demanding transparency and seeking the best ways to assist populations in need. Congress has previously denied funding for UNFPA, or stipulated that no funds shall be spent in China. Congress should eliminate all funding for UNFPA.

Total Savings: $10.2 Billion. These savings represent merely a small subset of program eliminations[13] and spending cuts[14] that are necessary to cut the government down to size. First and foremost, Congress should not boost the budget from the current, extended FY 2013, appropriation level of $988 billion to above $1 trillion, and instead should reduce the budget to below the FY 2014 sequestration spending level of $967 billion—as House appropriators accomplished in their spending bills.[15] The House appropriations bill also moved in the right direction in four of the mentioned areas: (1) cutting funding for the USDA international food aid program, (2) prohibiting funding for Race to the Top and other competitive education grants, (3) cutting funding for community development block grants, (4) and prohibiting funding for UNFPA.

Yet more effective than reducing funds temporarily is to eliminate programs that are better suited for management at a state, local, or private level *permanently*. Doing so would save American taxpayers money in the long run and reduce the size and scope of the federal government—saving even more money, and reducing federal intervention in local government and market functions.

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Endnotes

1. Unless noted otherwise, savings are for one year, based on 2013 outlays.
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