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HOUSE OF REPRESENTATIVES
REPT. 112–635
Part 1

TAXPAYERS RIGHT-TO-KNOW ACT

JULY 31, 2012.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 3609]

[Including cost estimate of the Congressional Budget Office]

The Committee on Oversight and Government Reform, to whom was referred the bill (H.R. 3609) to provide taxpayers with an annual report disclosing the cost of, performance by, and areas for improvements for Government programs, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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The amendments are as follows:
Strike all after the enacting clause and insert the following:

SEC. 1. SHORT TITLE.

This Act may be cited as the "Taxpayers Right-To-Know Act".

SEC. 2. AGENCY REQUIREMENTS RELATING TO ANNUAL REPORT ON THE COST AND PERFORMANCE OF GOVERNMENT PROGRAMS AND AREAS OF DUPLICATION AMONG PROGRAMS.

(a) REQUIREMENT TO IDENTIFY AND DESCRIBE PROGRAMS.—On an annual basis, for purposes of the report required by subsection (b), the head of each agency shall—

(1) identify and describe every program administered by the agency;

(2) for each such program—

(A) determine the total administrative expenses of the program;

(B) determine the expenditures for services for the program;

(C) estimate the number of clients served by the program and beneficiaries who received assistance under the program (if applicable); and

(D) estimate—

(i) the number of full-time employees who administer the program; and

(ii) the number of full-time equivalents (whose salary is paid in part or full by the Federal Government through a grant or contract, a subaward of a grant or contract, a cooperative agreement, or another form of financial award or assistance) who assist in administering the program; and

(3) identify programs within the agency with duplicative or overlapping missions, services, and allowable uses of funds.

(b) REPORT.—Not later than February 1 of each fiscal year, the head of each agency shall create a link on the homepage of the official public website of the agency to a report containing the following:

(1) IDENTIFICATION AND DESCRIPTION OF PROGRAMS.—The information required under subsection (a) with respect to the preceding fiscal year.

(2) PERFORMANCE REVIEWS.—The latest performance reviews (including the program performance reports required under section 1116 of title 31, United States Code) of each program of the agency identified under subsection (a)(1), including performance indicators, performance goals, output measures, and other specific metrics used to review the program and how the program performed on each.

(3) IMPROPER PAYMENT INFORMATION.—For all programs and activities that may be susceptible to significant improper payments, as identified by the head of the agency under section 2(a) of the Improper Payments Information Act of 2002 (31 U.S.C. 321 note), the latest improper payment rate and the total estimated amount of improper payments during the preceding fiscal year, including fraudulent payments and overpayments.

(4) EXPIRED GRANT FUNDING.—The total amount of undisbursed grant funding remaining in grant accounts for which the period of availability to the grantee has expired.

(5) RECOMMENDATIONS.—Such recommendations as the head of the agency considers appropriate—

(A) to consolidate programs within the agency that are duplicative or overlapping;

(B) to eliminate waste and inefficiency; and

(C) to terminate lower priority, outdated, and unnecessary programs and initiatives.

(c) RELATIONSHIP TO CATALOG OF DOMESTIC FINANCIAL ASSISTANCE.—With respect to the requirements of subsections (a)(1) and (a)(2)(B), the head of an agency may use the same information provided in the Catalog of Domestic Financial Assistance if applicable.

(d) FORMAT.—Each agency shall make reports required by subsection (b) available in a searchable, machine-readable format, and shall expend no funds for the printing of such reports, except when providing such documents to the Congress.

SEC. 3. OFFICE OF MANAGEMENT AND BUDGET REQUIREMENTS RELATING TO ANNUAL REPORT ON THE COST AND PERFORMANCE OF GOVERNMENT PROGRAMS AND AREAS OF DUPLICATION AMONG PROGRAMS.

(a) REPORT BY OFFICE OF MANAGEMENT AND BUDGET.—Not later than February 1 of each fiscal year, the Director of the Office of Management and Budget shall publish on the official public website of the Office of Management and Budget a report containing the following:

(1) IDENTIFICATION OF DUPLICATIVE PROGRAMS.—An identification of programs across agencies with duplicative or overlapping missions, services, and allowable uses of funds.

(2) RECOMMENDATIONS.—Such recommendations as the Director considers appropriate—

(A) to consolidate programs across agencies that are duplicative or overlapping;

(B) to eliminate waste and inefficiency; and

(C) to terminate lower priority, outdated, and unnecessary programs and initiatives.

(b) RELATIONSHIP TO PRESIDENT'S BUDGET.—With respect to the requirements of subsection (a)(2), the Director may use the same information provided in the President's annual budget submission, if applicable.

SEC. 4. DEFINITIONS.

In this Act:

(1) ADMINISTRATIVE COSTS.—The term "administrative costs" has the meaning as determined by the Director of the Office of Management and Budget under section 504(b)(2) of Public Law 111–85 (31 U.S.C. 1105 note), except the term shall also include, for purposes of that section and this section, with respect to an agency—

(A) costs incurred by the agency as well as costs incurred by grantees, subgrantees, and other recipients of funds from a grant program or other program administered by the agency; and

(B) expenses related to personnel salaries and benefits, property management, travel, program management, promotion, reviews and audits, case management, and communication about, promotion of, and outreach for programs and program activities administered by the agency.

(2) SERVICES.—The term "services" has the meaning provided by the Director of the Office of Management and Budget and shall be limited to only activities, assistance, and aid that provide a direct benefit to a recipient, such as the provision of medical care, assistance for housing or tuition, or financial support (including grants and loans).

(3) AGENCY.—The term "agency" has the same meaning given that term in section 551(1) of title 5, United States Code, except that the term also includes offices in the legislative branch other than the Government Accountability Office.

(4) PERFORMANCE INDICATOR, PERFORMANCE GOAL, OUTPUT MEASURE, PROGRAM ACTIVITY.—The terms "performance indicator", "performance goal", "output measure", and "program activity" have the meanings provided by section 1115 of title 31, United States Code.

(5) PROGRAM.—The term "program" has the meaning provided by the Director of the Office of Management and Budget and shall include, with respect to an agency, any organized set of activities directed toward a common purpose or goal undertaken by the agency that includes services, projects, processes, or financial or other forms of assistance, including grants, contracts, cooperative agreements, compacts, loans, leases, technical support, consultation, or other guidance.

SEC. 5. CLASSIFIED INFORMATION.

Nothing in this Act shall be construed to require the disclosure of classified information.

SEC. 6. REGULATIONS AND IMPLEMENTATION.

(a) REGULATIONS.—Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations to implement this Act.

(b) IMPLEMENTATION.—This Act shall be implemented beginning with the first full fiscal year occurring after the date of the enactment of this Act.

Amend the title so as to read:

A bill to provide taxpayers with an annual report disclosing the cost and performance of Government programs and areas of duplication among them.

COMMITTEE STATEMENT AND VIEWS

PURPOSE AND SUMMARY

H.R. 3609, the Taxpayers Right-To-Know Act, is designed to significantly reduce waste, misspending, and inefficiency throughout the Federal Government. The Federal Government wastes billions of dollars annually by operating programs that have duplicative, overlapping, or fragmented missions. Some experts estimate the annual cost of government duplication at $100 billion or more.

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

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

BACKGROUND AND NEED FOR LEGISLATION

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

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

GAO identified 81 areas of duplication and potential cost savings in its first report, issued in 2011. This year, it found 51 new areas of waste and duplication across the Federal government, identifying billions of dollars of waste that could easily be prevented. While GAO's recommendations are a start toward making government more efficient and cost effective, government agencies are uniquely positioned to also assume responsibility for identifying unnecessary duplication. It is the Federal agencies that actually administer programs on a day-to-day basis. This level of intimacy with individual programs and their stakeholders provides senior civil servants at each agency with specialized knowledge that should be brought to bear in the effort to eliminate program duplication.

The Oversight and Government Reform Committee held several hearings on program duplication during the 112th Congress. On March 3, 2011, the Full Committee held a hearing entitled, "Refuse

of the Federal Spending Binge II: How U.S. Taxpayers are Paying Double for Failing Government Programs." In this hearing, the Committee discussed the 2011 GAO report, which identified 81 examples of duplication in government including programs related to tax benefits, military spending, food safety, economic development, and biological terror threats. One year later on February 28, 2012, the Full Committee reviewed the 2012 GAO report outlining continued duplication within the Federal government at a hearing entitled, "Government 2.0: GAO Unveils New Duplicative Program Report." This report identified 51 additional areas of duplication including defense procurement, financial literacy, information technology investments, revenue collection and fraud detection in key entitlement programs. The Committee also held two subcommittee hearings about government duplication with narrower breadth: one hearing concerned duplication in social welfare programs, and another concerned duplicative information technology investments.

LEGISLATIVE HISTORY

H.R. 3609 was introduced by Representative Lankford on December 8, 2011. The bill was referred to the Oversight and Government Reform Committee. A companion bill, S. 1957, was introduced by Senator Coburn on December 7, 2011. S. 1957 was referred to the Senate Homeland Security and Governmental Affairs Committee.

SECTION-BY-SECTION

A section-by-section summary of the amendment in the nature of a substitute (ANS) adopted during the Full Committee business meeting follows:

Section 1. Short title

This Act may be cited as the "Taxpayers Right-To-Know Act."

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

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

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

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

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

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

Section 4. Definitions

The section defines administrative costs, services, agency, performance, and programs, as established by statute and OMB guidance.

Section 5. Classified information

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

Section 6. Regulations and implementation

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

EXPLANATION OF AMENDMENTS

The provisions of Representative Lankford's ANS adopted during the Committee Business Meeting are explained in the Section-by-Section above.

Representative Quigley introduced an amendment to section 2 of H.R. 3609 that would require every agency to create a permanent web page to allow the public to enter his or her total tax payment and calculate how much of that payment is used to fund each program at every Federal agency. The amendment was defeated by a recorded vote of 17 ayes to 19 nays, with one member voting "present."

COMMITTEE CONSIDERATION

On April 26, 2012, the Committee met in open session and ordered reported favorably the bill, H.R. 3609, as amended, by voice vote, a quorum being present.

ROLL CALL VOTES

1. Mr. Quigley offered an amendment to the Lankford ANS to insert a new subsection, "Taxpayer Receipt." The amendment was defeated by a recorded vote of 17 Yeas to 19 Nays, with one voting "Present."

Yeas: Amash, Meehan, Cummings, Towns, Norton, Kucinich, Tierney, Clay, Lynch, Cooper, Connolly, Quigley, Davis, Braley, Welch, Yarmuth and Murphy.

Nays: Issa, Burton, Mica, Turner, Jordan, Chaffetz, Mack, Walberg, Lankford, Buerkle, Gosar, Labrador, DesJarlais, Walsh, Gowdy, Ross, Guinta, Farenthold and Kelly.

Present: Speier.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill establishes several reporting requirements for agencies to better identify inefficiencies. As such this bill does not relate to employment or access to public services and accommodations.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

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

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

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

FEDERAL ADVISORY COMMITTEE ACT

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

UNFUNDED MANDATE STATEMENT

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

EARMARK IDENTIFICATION

H.R. 3609 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

COMMITTEE ESTIMATE

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 3609. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the

Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 3609 from the Director of Congressional Budget Office:

JULY 2, 2012.

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

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3609, the Taxpayers Right-To-Know Act.

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

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 3609—Taxpayers Right-To-Know Act

Summary: H.R. 3609 would require government agencies to identify and describe each program they administer, the cost to administer the program, expenditures for services, the number of program beneficiaries, and the number of Federal employees and contract staff involved. Under the bill, that information would be posted on each agency's Web site. In addition, H.R. 3609 would require an annual report by the Office of Management and Budget that identifies duplicative Federal programs.

Based on information from several agencies, CBO estimates that implementing H.R. 3609 would cost around $100 million over the 2013–2017 period, assuming appropriation of the necessary amounts. Enacting the bill could affect direct spending by agencies not funded through annual appropriations; therefore, pay-as-you-go procedures apply. CBO estimates, however, that any net increase in spending by those agencies would be negligible. Enacting H.R. 3609 would not affect revenues.

H.R. 3609 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 3609 is shown in the following table. The costs of this legislation fall within all budget functions that include spending on administrative activities.

	By fiscal year, in millions of dollars—					
	2013	2014	2015	2016	2017	2013-2017
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	30	30	20	10	10	100
Estimated Outlays	30	30	20	10	10	100

Basis of estimate: For this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2012, that the necessary amounts will be appropriated each year, and that spending will fol-

low historical patterns for salaries and expenses related to modifying Federal reporting systems.

Under current law, agencies regularly produce various types of management information on their programs, budgets, strategic plans, and annual performance reports. A recent amendment to the Government Performance and Results Act (GPRA) will require agencies to describe every program they administer. Consequently, CBO expects that some of the requirements of H.R. 3609 would codify or only slightly modify current agency-reporting requirements.

However, the legislation would add significant new reporting requirements for agencies, including reports on the total administrative costs and the total costs of contract services for each Federal program. Currently, the Catalog of Federal Domestic Assistance (CFDA) lists more than 2,200 programs, projects, services, and activities that provide assistance or benefits to the public. H.R. 3609 would apply to the CFDA list of programs as well as any government service, process, grant, contract, cooperative expense, compact, loan, lease, or agency guidance. Based on information from the Office of Management and Budget and selected agencies about the costs to implement reporting requirements in the Government Performance and Results Act and the American Recovery and Reinvestment Act of 2009, CBO estimates that assembling that information at this level of detail would cost around $100 million over the 2013–2017 period.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. Enacting H.R. 3609 could affect direct spending by agencies not funded through the appropriation process, but CBO estimates that such effects would not be significant in any year. Enacting H.R. 3609 would not affect revenues.

Intergovernmental and Private-Sector Impact: H.R. 3609 contains no intergovernmental or private-sector mandates as defined in UMRA. Any costs to state and local governments would result from complying with conditions of assistance.

Estimate prepared by: Federal costs: Matthew Pickford; Impact on state, local, and tribal governments: Elizabeth Cove Delisle; Impact on the private sector: Paige Piper/Bach.

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

ADDITIONAL VIEWS

This bill will place an unnecessary burden on agencies. It requires agencies to report a significant amount of information which will require substantial agency resources. The bill does not authorize any additional funding to assist with agency compliance.

This legislation is also duplicative as some of the information agencies already report under requirements in other laws. For example, the bill requires agencies to report information on improper payments made by the agency. The Improper Payments Information Act of 2002 already requires agencies to report information on their improper payments. Additionally, the bill requires duplicative reporting of performance information required by the GPRA Modernization Act of 2010.

Some of the requirements of this legislation are unclear. The bill requires every agency to estimate the number of clients served by every program administered by the agency. However, the bill does not define the term "client."

This legislation should be streamlined to ensure that it will improve transparency without compromising efficiency.

ELIJAH E. CUMMINGS.