



GOVERNOR RICK PERRY'S 2020 VISION
UPROOT & OVERHAUL WASHINGTON

"I DO NOT BELIEVE WASHINGTON NEEDS A NEW COAT OF PAINT. IT NEEDS A COMPLETE OVERHAUL. IT IS TIME TO TEAR DOWN THE MONUMENTS TO BUREAUCRATIC FAILURE, AND IN THEIR PLACE BUILD A SMALLER, MORE EFFICIENT FEDERAL GOVERNMENT THAT PUTS THE AMERICAN PEOPLE FIRST."

GOVERNOR RICK PERRY

CONTENTS

INTRODUCTION	3
FUNDAMENTAL REFORM OF THE LEGISLATIVE BRANCH	4
FUNDAMENTAL REFORM OF THE JUDICIARY	6
FUNDAMENTAL REFORM OF THE EXECUTIVE BRANCH	8
REINING IN THE FEDERAL BUREAUCRACY	11
FUNDAMENTAL SPENDING REFORM	19

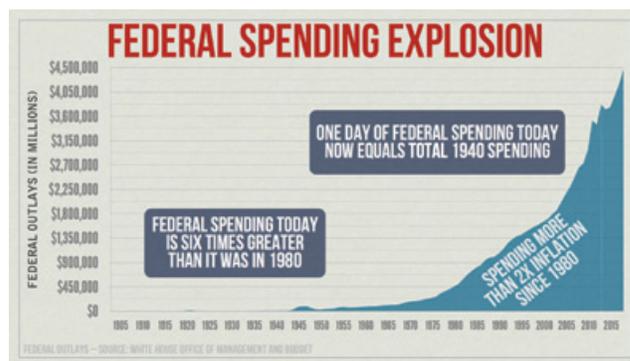
GOVERNOR RICK PERRY'S 2020 VISION

UPROOT & OVERHAUL WASHINGTON

Even during this recession, our federal government has continued to wastefully spend and expand its reach. Members of Congress continue to fund their pet programs, while the executive branch creates new programs on a whim. Instead of tailoring the budgets of our current departments to the needs of the people, government bureaucrats continue to justify increasing federal budgets simply because of past increases in funds; we cannot continue down this road towards unchecked budgets feeding our uncontrollable deficit.

The federal government is too large, too wasteful, and involved in far too many aspects of our daily lives. Last year the federal government spent more money in a single day – roughly \$9.5 billion – than it spent on the entire annual budget in 1940.¹ Federal spending in 2010 was nearly six times higher than in 1980; its rate of growth more than doubled the rate of inflation.²

The federal government spends more than \$6.5 million every minute on average. It takes the government less than half a second to spend an amount equal to the median household income in the U.S.³ And if you were to set \$3.5 trillion worth of dollar bills next to each other – the size of the federal budget last year – they would span nearly 330 million miles, longer than the distance from Earth to Mars and back again.⁴ Stacked on top of each other, the dollar bills representing the towering \$3.5 trillion federal budget would nearly reach all the way to the moon.⁵



Some have offered limited laundry lists of potential reductions in federal spending to address the nation's fiscal mess – this approach suggests that any items not found in the laundry list are therefore pure and should be ignored and left alone. Instead of offering up token spending cuts, the next president should be direct and open with the American people and let them know that when it comes to federal spending, every single penny will be examined and all options are on the table. We believe that wasteful spending can undoubtedly be identified in every single program and every single agency, and should be rooted out and eliminated the second it is found regardless of whether it has a special-interest benefactor or constituency. Instead of increasing funding or demanding the federal government do more, we must have the federal government do less with less.

No individual or institution in this country could possibly spend so much money so quickly and be assured that every cent was spent wisely. It is no wonder that four out of every five Americans are dissatisfied with the way the nation is being governed, or that a majority of independents now believe the federal government poses an immediate threat to our rights and freedoms.⁶ We cannot allow the federal government to continue its expansion on the back of the American people.

1 Office of Management and Budget, [Historical Tables – Table 1.1](#)

2 Federal Reserve Bank of Minneapolis, [Consumer Price Index: 1800-2011](#)

3 U.S. Census Bureau, [Income, Poverty, and Health Insurance Coverage in the United States: 2010](#), September 2011, (pg. 8)

4 NASA, [Approaching Mars](#), June 6, 2005 (average distance from Earth equals 140 million miles); at a width of six inches, 3.456 trillion dollar bills laid side by side would span 1.72 trillion feet, or 327.3 million miles

5 Universe Today, [Distance from Earth to Moon](#), August 23, 2009 (average distance from Earth equals 238,857 miles); at a thickness of 0.0043 inches each, 3.456 trillion dollar bills stacked on top of each other would be nearly 235,000 miles tall

6 Gallup, [Americans Express Historic Negativity Toward U.S. Government](#), September 26, 2011

Fundamental Reform of the Legislative Branch

Part-Time Citizen Congress, Accountability, and Transparency

When the first Congress convened in 1789 following the ratification of the Constitution, federal lawmakers were paid \$6 a day, and an annual salary of \$1,500 was not authorized until 1815.⁷ Had Congressional salaries merely risen with inflation, a member of Congress today would make less than \$20,000 each year.⁸ Instead, annual Congressional salaries have risen almost ten times faster than inflation and now total \$174,000 – more than 3.5 times higher than the country’s median household income of \$49,445 in 2010.⁹ To add insult to injury, last year Washington, D.C., was crowned as the nation’s highest-income metropolitan region – beating out Silicon Valley and New York City – fueled mainly by its army of “attorneys, consultants, lobbyists, and outside government contractors.”¹⁰

PART-TIME CITIZEN CONGRESS

Last year, Congress appropriated for itself more than \$5.8 billion, or nearly \$11 million per lawmaker. The legislative branch has more than doubled its own budget since 2000, despite the fact that the number of senators and congressmen has remained exactly the same for more than 50 years. But while Congress more than doubled its own budget, the median household income of those who fund the government increased by only 17.3 percent, from \$42,148 in 2000 to \$49,445 in 2010.¹¹ At the same time, the incomes of American families were unable to even keep pace with inflation.

The U.S. does not need a full-time Congress that is more focused on increasing its perks instead of

reducing spending. America needs a part-time, Citizen Congress – populated with those who choose to serve not for profit, or for the promise of a high-paying lobbyist job, but for the good of their communities, states, and the nation. Even with a 50 percent pay-cut, Congressional members would still make a significantly higher income than the average American.¹² By changing the way Congress operates, and moving towards a part-time legislature, lawmakers will have the freedom to live in their communities, engage their constituents, and truly speak for the people they represent. Rules preventing members of Congress from holding private sector jobs must also be repealed. When lawmakers hold the same types of jobs as their constituents, they will gain a much greater understanding of how congressional laws impact the real world.

SLASH SPENDING FOR CONGRESSIONAL STAFF

According to the Congressional Research Service, Congress employed more than 15,000 staffers as of 2009.¹³ In the Senate, the number of staff assigned to senators’ personal offices has more than doubled since 1977; the number of so-called “leadership staff” more than quadrupled over the same time period.¹⁴ As the number of staffers grows, so does congressional involvement in nearly every aspect of the American economy.

To be sure, congressional offices can provide vital help to those whose Social Security benefits or passport applications fell through the cracks due to the bureaucratic incompetence of federal agencies. But if the Founding Fathers managed to draft the

7 Congressional Research Service, [Salaries of Members of Congress](#), February 21, 2008 (pg. 4)

8 Federal Reserve Bank of Minneapolis, [Consumer Price Index: 1800-2011](#)

9 U.S. Census Bureau, [Income, Poverty, and Health Insurance Coverage in the United States: 2010](#), September 2011, (pg. 8)

10 Wall Street Journal, [Washington Area Is Tops in Income](#), October 19, 2011

11 U.S. Census Bureau, [Money Income in the United States: 2000](#), September 2001 (pg. 6)

12 U.S. Census Bureau, [Income, Poverty, and Health Insurance Coverage in the United States: 2010](#), September 2011, (pg. 8)

13 Congressional Research Service, [House of Representatives and Senate Staff Levels in Member, Committee, Leadership, and Other Offices, 1977-2010](#), August 10, 2010 (pg. 20)

14 Congressional Research Service, [House of Representatives and Senate Staff Levels in Member, Committee, Leadership, and Other Offices, 1977-2010](#), August 10, 2010 (pg. 28)

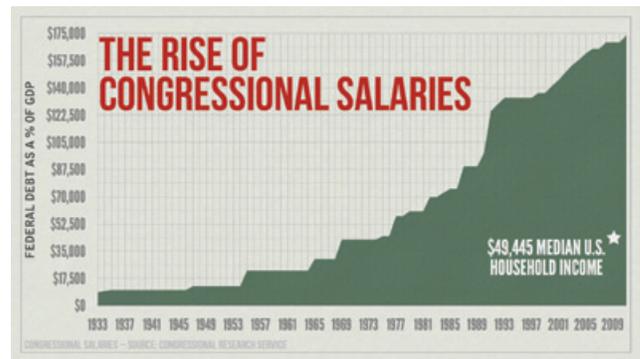
Declaration of Independence, direct the American Revolution, and author the U.S. Constitution without the assistance of thousands of paid staffers, then current lawmakers can find a way to get through the day with fewer personal assistants.

CRIMINALIZE INSIDER TRADING BY MEMBERS OF CONGRESS

Just as private individuals are prohibited from making stock or bond trades based on inside information, members of Congress should be banned from trading on information about how congressional laws may impact financial markets.

A recent investigative report by *60 Minutes* found that “Members of Congress and their aides have regular access to powerful political intelligence, and many have made well-timed stock market trades in the very industries they regulate.”¹⁵ Convicted lobbyist Jack Abramoff told CNBC that as many as a dozen members of Congress traded on inside information.¹⁶ One academic study found that the portfolios of lawmakers, most of whom are not professional investors or financial experts, outperformed the overall stock market by more than six percent a year.¹⁷ The Stock Act, which would prohibit Members of Congress and federal employees from profiting from nonpublic information they obtain via their official positions, has been introduced in every Congress since 2004.¹⁸ The act has yet to receive any consideration on either the House or Senate floor.

A lawmaker who plans to bailout a publicly traded corporation should not be allowed to use his or her inside information to purchase or short securities that will be directly affected by congressional action. If private individuals can be jailed or fined for trading on insider information, then lawmakers and



their staff should be required to live under the same laws when it comes to legislative or regulatory inside information.

EXPAND THE FREEDOM OF INFORMATION ACT

Today, the Freedom of Information Act applies to the executive branch agencies of the federal government, allowing individual Americans to request information on departments, agencies, and offices of the executive branch.¹⁹ However, despite regulations requiring responses within 20 days, FOIA request response time varies drastically.²⁰ The law must be enforced, and extensions for FOIA requests must be the great exception, not the rule. In addition, under the current law, Congress and portions of the Executive Office of the President that function solely to advise and assist the President, are not subject to FOIA requests.²¹ The White House must be made accountable to taxpayers. FOIA must also be amended to apply to the legislative branch of the federal government – Congress cannot ask the executive branch for more transparency and continue to conduct operations out of the public eye.

19 The National Security Archive “FOIA Basics”. George Washington University. accessed Nov 8, 2011. <http://www.gwu.edu/~nsarchiv/nsa/foia/guide.html>

20 GAO Testimony, “Statement of Linda Koontz, Director, Information Management Issues - Freedom of Information Act: Processing Trends Show the Importance of Improving Plans” released on Feb 14, 2007 <http://www.gao.gov/new.items/d07491t.pdf>

21 The National Security Archive “FOIA Basics”. George Washington University. accessed Nov 8, 2011. <http://www.gwu.edu/~nsarchiv/nsa/foia/guide.html>

15 CBS News, [Congress: Trading stock on inside information?](#), November 13, 2011

16 CNBC, [Congress Members Took Part in Insider Trading: Abramoff](#), November 11, 2011

17 Boyd, Cheng, Ziobrowski, and Ziobrowski, [Abnormal Returns from the Common Stock Investments of Members of the U.S. House of Representatives](#) (pg. 7)

18 Congressman Tim Walz. “Walz and Slaughter Say Legislation is Needed to Curb Congressional Insider Trading”. http://walz.house.gov/index.php?option=com_content&task=view&id=326&Itemid

Fundamental Reform of the Judiciary

Ending Lifetime Appointments for the Federal Judiciary

Reforming the judiciary is another essential part of overhauling Washington. The courts and the activist judges that inhabit them too often ignore the Constitution and legislate from the bench, distorting the fundamental principles of this country.

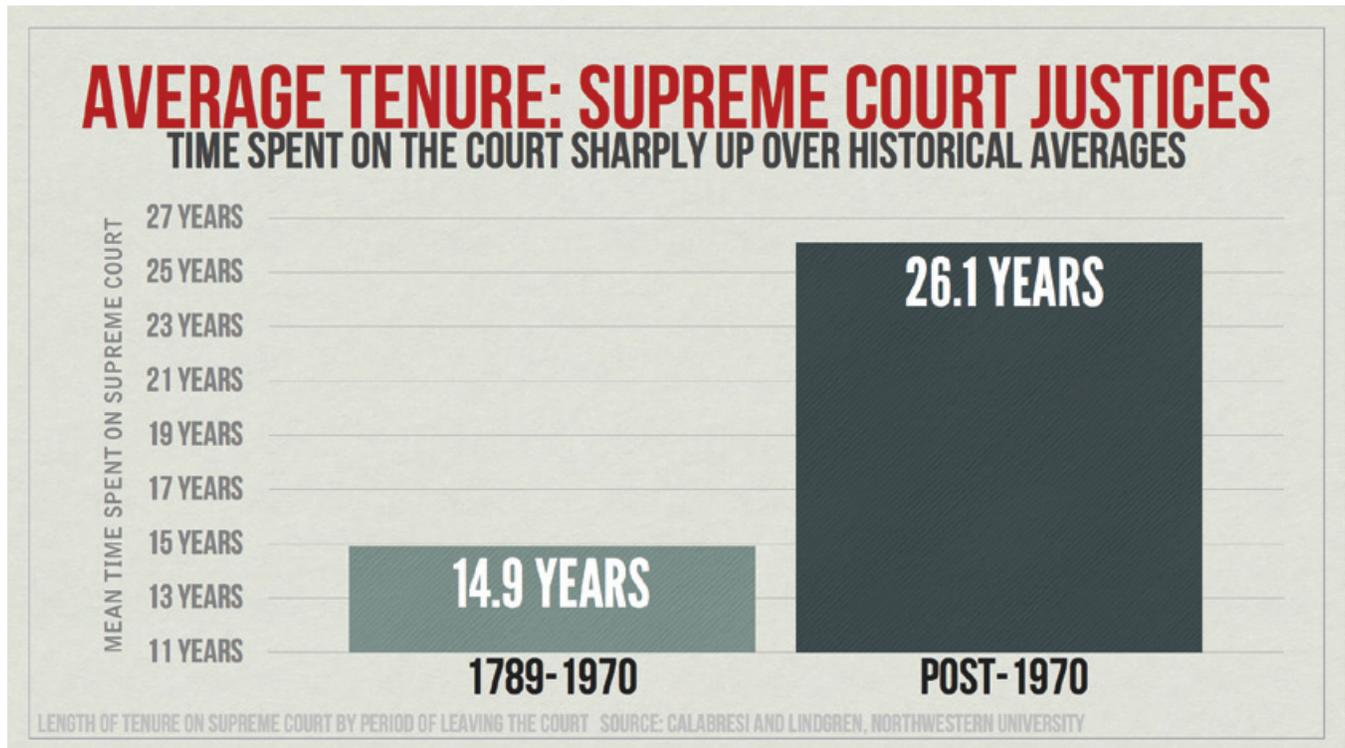
Activist judges have taken away from the people the ability to live their lives according to their own consciences – making critical decisions about life, death, religion, guns, political free speech, immigration and countless other aspects of our lives...often based on the whim of one Justice in a 5-4 opinion. Only from the United States Supreme Court can we get – on the same day – one opinion upholding our right in Texas to display the Ten Commandments on the Capitol grounds, and one opinion denying the right of Kentuckians the right to display the Ten Commandments in a courthouse.²²

22 See *Van Orden v. Perry*, 545 U.S. 677 (2005) and *McCreary County v. ACLU of Kentucky*, 545 U.S. 844 (2005)

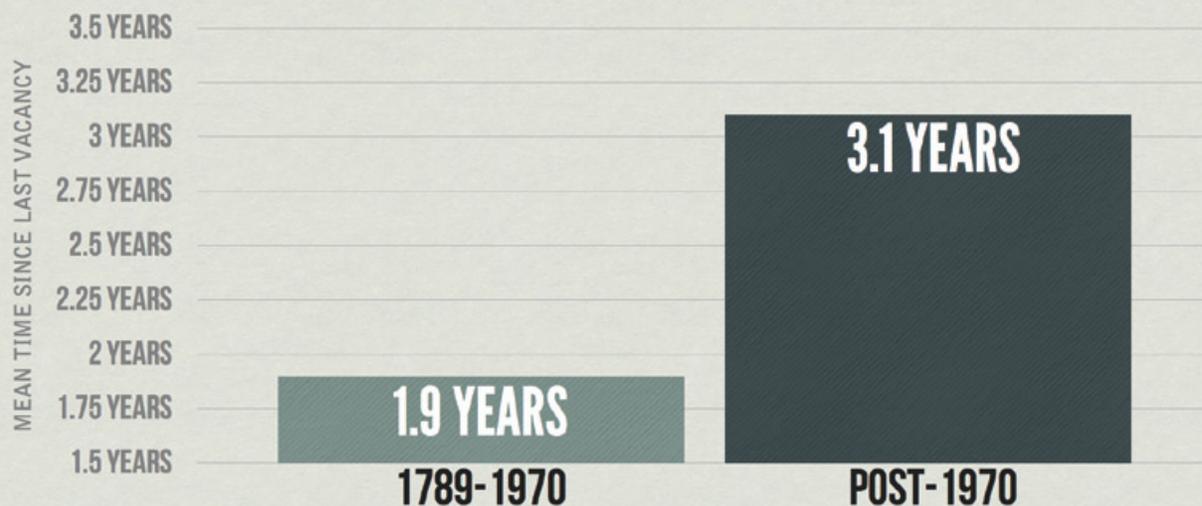
The simple truth is that the only real solution is to nominate Judges who respect the Constitution and the law as given to them – and who will not make law from the bench. But like everything in Washington, we need to take a look at a few structural reforms to rein in those who seem to have forgotten there is a limit to their power.

One such reform would be to end lifetime appointments to the federal judiciary, including prospectively to the Supreme Court. According to one analysis – the average tenure of a Supreme Court Justice has risen from 14.9 years between 1789 and 1970 to over 26 years for those who retired between 1970 and 2005.²³ More, vacancies are occurring far less frequently, exemplified best by the 11 year stretch from 1994 to 2005 in which

23 Steven G. Calabresi and James Lindgren, Northwestern University School of Law Public Law and Legal Theory Series, *Term Limits for the Supreme Court: Life Tenure Reconsidered*, 771.



SUPREME COURT VACANCIES BECOMING RARE AVERAGE TIME BETWEEN VACANCIES SHARPLY UP OVER HISTORICAL AVERAGES



MEAN TIME BETWEEN SUPREME COURT VACANCIES SOURCE: CALABRESI AND LINDGREN, NORTHWESTERN UNIVERSITY

there was not a single vacancy. Some of this is explained in part by an increase in life expectancy, but it is hardly healthy for a freedom-loving people to be lorded over for more than 26 years by justices who have assumed ever-increasing amounts of power to decide how we live. In addition, the nominations process has become increasingly politicized – with justices making retirement decisions based on the timing of which political party controls the White House.

There are a number of proposals which might be considered – one would be a Constitutional Amendment creating 18-year terms staggered every 2 years, so that each of the nine justices would be replaced in order of seniority every other year.²⁴ This would be a prospective proposal, and would be applied to future judges only. Doing this would move the court closer to the people by ensuring that every President would have the opportunity to replace two justices per term, and that no court could stretch its ideology over multiple generations.

Further, this reform would maintain judicial independence, but instill regularity to the nominations

process, discourage Justices from choosing a retirement date based on politics, and will stop the ever-increasing tenure of Justices. A similar method can be applied to end lifetime appointments to the appellate and district courts.

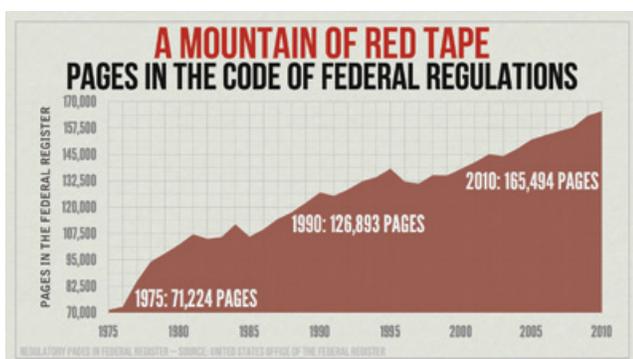
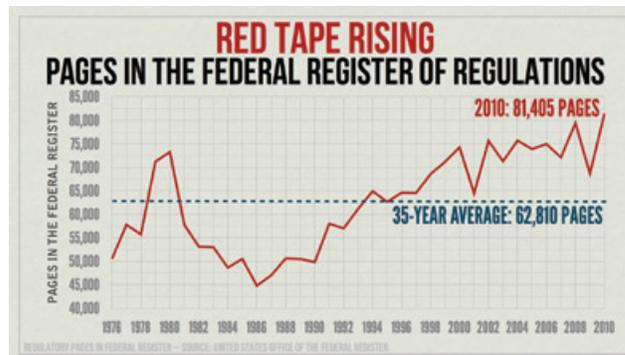
In addition, there are some reforms to the Judiciary that would not require an amendment to the Constitution. Congress has the authority under the Constitution to establish the jurisdiction of the Court. If our courts insist on refusing to adhere to the Constitution and the law on important issues – be it school prayer, life, the death penalty or anything else of importance to the people – then Congress should take their jurisdiction away. As president, Governor Perry would work with Congress to establish the necessary changes to the judicial system.

²⁴ *Id.*, 771.

Fundamental Reform of the Executive Branch

Regulatory Reform and Reining in the Federal Bureaucracy

The federal regulatory system is out of control. Between 2001 and 2010, the federal government implemented 38,710 new regulations and proposed an additional 23,987.²⁵ The Federal Register, which contains all new and proposed regulations, spanned more than 81,000 pages in 2010, a 30 percent increase over the 35-year average of 62,810 pages.²⁶ The Code of Federal Regulations (CFR) – the warehouse of permanent rules published in the Federal Register – contained 165,494 pages in 2010.²⁷ The document’s index alone is more than 1,100 pages.²⁸



It has become impossible for even the most conscientious individuals and small businesses to keep track of the ever-growing morass of federal rules imposed upon the public ever year. When asked by a congressional office for a list of all federal regulations that contain criminal penalties, the Congressional Research Service responded that “the task is inordinately

time-consuming and defies a precise count under any standard.”²⁹ Small businesses and entrepreneurs are faced with an impossible challenge, and waste time and capital navigating a challenging and overwrought regulatory system.

Instead of implementing constitutional legislation passed by Congress and signed into law by the president, the federal regulatory system has become a bureaucratic tool for intimidation and a shadow system of taxation on American job creators. Research from the Small Business Administration (SBA) estimated that the cost of federal regulations totals more than \$1.1 trillion with a cost to small businesses of \$7,647 per employee.³⁰ For the manufacturing industry, the cost of federal regulations per employee is more than \$10,000. According to SBA, “The manufacturing sector in particular bears the highest total regulatory burden in terms of cost per firm.”³¹

The U.S. federal regulatory system is in desperate need of overhaul. Of the more than 38,000 new regulations were issued between 2001 and 2010, less than 10 percent were reviewed by the Office of Management

25 Office of the Federal Register, Federal Register Documents – Chart 10, September 27, 2011 (provided via e-mail from FedReg.Info@nara.gov)

26 *ibid.*

27 Office of the Federal Register, Code of Federal Regulations – Total Pages 1938 Through 1949, and Total Volumes and Pages 1950 Through 2010 – Chart 12, September 27, 2011 (provided via e-mail from FedReg.Info@nara.gov)

28 Office of the Federal Register, Code of Federal Regulations Page Breakdown – 1975 Through 2010 – Chart 13, September 27, 2011 (provided via e-mail from FedReg.Info@nara.gov)

29 Congressional Research Service, Federal Regulations Holding Criminal Penalties – Confidential Memorandum, October 12, 2011

30 Small Business Administration Office of Advocacy, “The Impact of Regulatory Costs on Small Firms”, September 2005 (pg. 2) <http://archive.sba.gov/advo/research/rs264tot.pdf>

31 *ibid.*

and Budget.³² Americans need to be confident that every new rule issued by the federal government has been thoroughly analyzed and reviewed for its impact on individual liberty, economic growth, and job creation. Unaccountable agency bureaucrats cannot continue to have free rein to strangle entrepreneurs and small businesses with onerous regulations meant to appease special-interest groups.

IMMEDIATE MORATORIUM ON ALL PENDING REGULATIONS

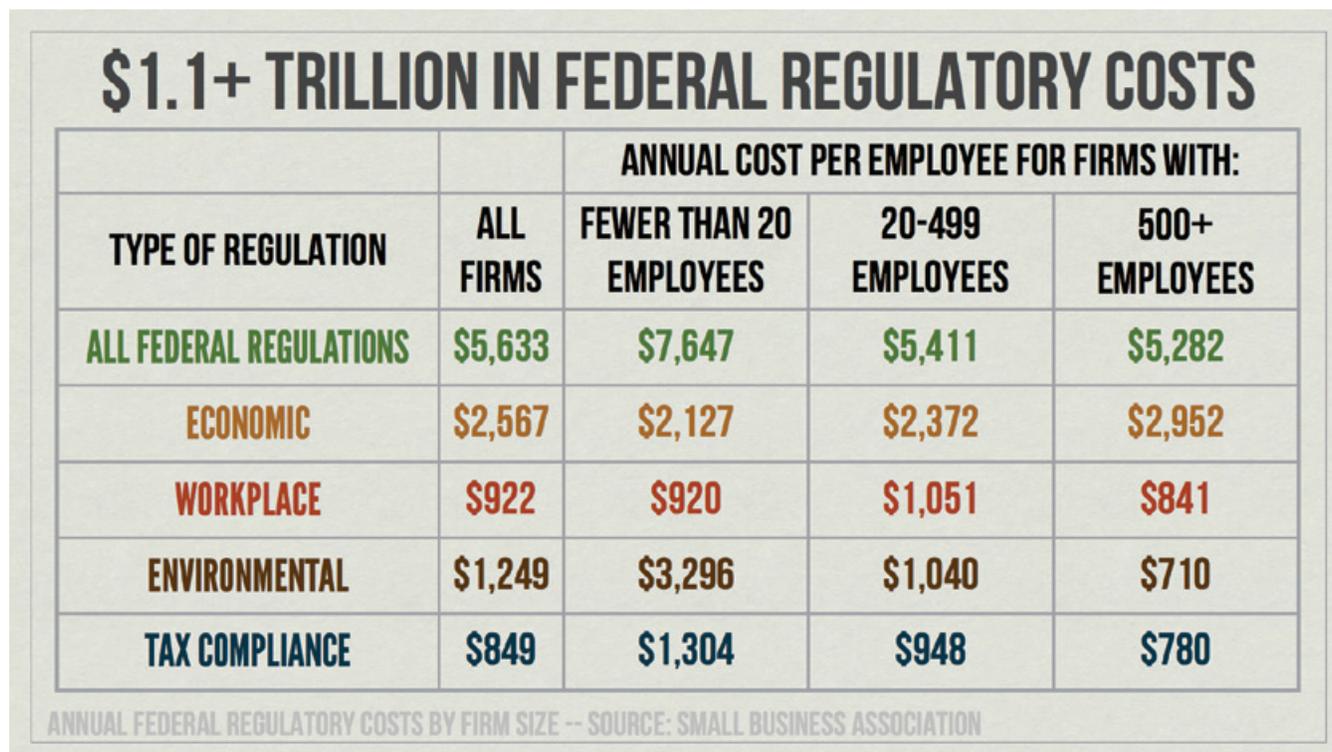
The current regulatory regime cannot be effectively audited and improved while agencies still have the ability to issue thousands of new regulations. An immediate freeze on all pending and new regulations is necessary to ensure a full audit of existing regulations. Common-sense exceptions will be available for regulations deemed by the president to be routine or essential to our national security.

³² Office of Management and Budget, “2011 Report to Congress on the Benefits and Costs of Federal Regulations and Unfunded Mandates on State, Local, and Tribal Entities”. 2011 (pg. 13) http://www.whitehouse.gov/sites/default/files/omb/infomag/2011_cb/2011_cba_report.pdf

FULL AUDIT OF EVERY REGULATION PROMULGATED SINCE 2008

Before any new regulations are implemented, *every regulation promulgated since the beginning of 2008 must be audited and judged according to the following criteria: is it affordable, is it effective, and does it do more harm than its purported good?* The “affordability” test will analyze the effect of regulations on job creation and economic growth. The “effective” test will determine if the regulations have been successful or if less burdensome rules could be used to get similar results. The “harm” test will judge whether the responsible agency has created more harm to the economy than its perceived benefits.

Regulations that fail all three tests will be repealed, those that fail any single test will be rewritten, and those that pass every test will be left in place. While some opponents of rigorous regulatory oversight may assert that it is just too difficult to examine that many regulations, it is even more difficult to increase economic growth and create jobs when more than 90 percent of all federal regulations are never reviewed for their effect on the economy. If federal bureaucrats can issue an average of 3,500 new regulations and propose





another 2,400 each year, then they can certainly review previously issued regulations during a moratorium on new regulations.³³

AUTOMATIC SUNSET OF FEDERAL REGULATIONS WITHOUT CONGRESSIONAL RENEWAL

Just as working families must regularly re-evaluate their spending priorities, federal policy makers should also be required to assess whether decades-old regulations still make sense. We will require that all federal regulations automatically sunset after seven years, unless explicitly renewed by Congress. This requirement will ensure continuous review of every new federal regulation, and will empower the country's elected lawmakers to hold federal agencies accountable for costly regulations that destroy jobs and reduce economic growth.

REQUIRE ALL FEDERAL AGENCIES TO JUSTIFY EXPENDITURES

Total Spending

When lawmakers draft the federal budget, it should not be built on the assumption that the federal government somehow deserves the right to grow every year. Instead of setting the general expectation that spending should be reduced, federal bureaucrats call press conferences to praise themselves for any reductions

in spending. The norm of federal spending should be spending reduction – not growth. With this in mind, each federal department, agency, and program must present a complete and thorough cost-benefit analysis to Congress, justifying the benefit to the American people from every dollar spent. Budget reductions can and must become reality, not pipedreams.

Annual Regulatory Budget

When designing regulations, agency officials should be required to prioritize based on total cost, just like small business owners must prioritize demands on the time of their employees. Under current law there is no limit to the potential cost that can be embedded into a new regulation or mandate. By instituting an annual regulatory budget for each agency, bureaucrats will be incentivized to design proposals that maximize benefits while minimizing costs, instead of defining benefits so broadly that they outweigh the total cost to businesses and taxpayers. In cases where an agency required authority beyond its annual budget, formal waiver requests could be submitted for Congressional approval on a case-by-case basis.

Create a Searchable Public Database with All Current Regulations

The federal government cannot continue to force entrepreneurs and small business owners to wade through the more than 165,000 pages of the Code of Federal Regulations to determine what arcane federal regulations might apply to their operations. Job creators should not need to employ an army of lobbyists and lawyers in order to follow the law, and should be able to easily find descriptions, public comments, and cost estimates for all relevant regulations. A simple and searchable online database of all current federal regulations – including succinct summaries, public comments, and all related cost-benefit analyses – would allow employers and taxpayers to better understand the rules that apply to them, why they exist, how much they cost, and how they affect economic growth and job creation.

³³ Office of the Federal Register, Federal Register Documents – Chart 10, September 27, 2011 (provided via e-mail from FedReg.Info@nara.gov); Average of regulations issued and proposed from 2008 through 2010

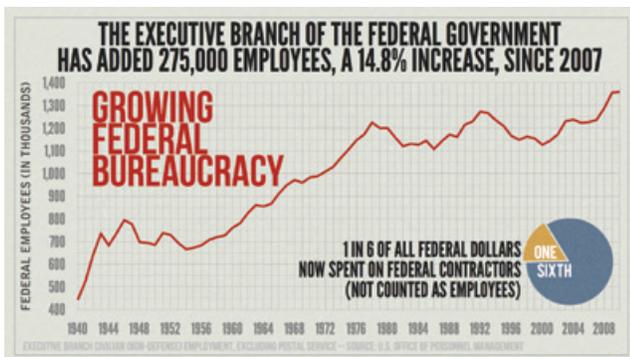
Reining in the Federal Bureaucracy

The expansive government bureaucracy has metastasized in numerous ways. First, the federal government maintains too many overgrown, centralized departments that do little to support American individuals. Instead of maintaining massive bureaucracies and consolidating in Washington, our federal agencies should serve individuals and states. The IRS alone maintains over 94,000 federal employees simply to process and enforce our overburdening tax code, while other departments remain intent on dictating out-of-touch policy about our schools, communities, businesses and our environment from Washington.³⁴

Second, there is simply too much money spent in Washington, D.C., and too little left with the states to serve their individual and diverse populations. Federal spending has nearly doubled in the last decade, with a 93 percent increase in spending over the same period.³⁵ The President continues to believe that the answer to our financial woes lies in more spending and more government. Through bailouts, overspending, and government growth, the current administration has created three consecutive years of trillion dollar deficits, and added more than \$4 trillion in new debt – an amount greater than the size of the entire federal debt

less than 20 years ago.^{36,37} While federal bureaucrats enjoy job security and expanding federal control, the American people continue to suffer. Federal employees have increased by 14.8 percent (executive branch) since September 2007, with approximately 275,000 more executive branch positions added during that time.³⁸ Federal employee salaries also surpass comparable private sectors, with disparity as high as 22 percent.³⁹ At the same time, the use of federal contractors to disguise total employment numbers has increased. One in six federal dollars is spent on federal contractors, and the budget for federal contracts has grown to over \$536.7 billion in 2010 alone.^{40,41}

Third, excessive waste continues to permeate the federal bureaucracy. In March 2011, the Government Accountability Office (GAO) produced more than 300 pages on redundancies within the federal government, citing 34 specific examples of duplicative and overlapping programs.⁴² The American people do not need three departments and 18 federal programs conducting domestic food assistance programs, with each department wasting money on bureaucracy instead of delivering assistance to the American people.⁴³ Fourth, the federal government does not leverage effective accountability on federal spending. While the GAO



34 IRS "SOI Tax Stats - Personnel Summary, by Employment Status, Budget Activity, and Selected Type of Personnel - Databook Table 30". <http://www.irs.gov/taxstats/article/0,,id=207735,00.html> (accessed Nov 8, 2011)

35 Office of Management and Budget. "Table 1.1—SUMMARY OF RECEIPTS, OUTLAYS, AND SURPLUSES OR DEFICITS". <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/hist01z1.xls>

36 CBS News, "National debt has increased \$4 trillion under Obama". August 22, 2011. http://www.cbsnews.com/8301-503544_162-20095704-503544.html

37 Office of Management and Budget, [Historical Tables – Table 7.1](#)

38 Curry, Tom "Federal hiring proves to be recession-proof" MSNBC Online. Nov 3, 2011. <http://www.msnbc.msn.com/id/45135375/ns/politics/#.TrREv2FA6ul>

39 Nixon, Ron. "Government Pays More in Contracts Study Finds". New York Times. September 12, 2011. <http://www.nytimes.com/2011/09/13/us/13contractor.html>

40 Office of Federal Procurement Policy, Office of Management and Budget http://www.whitehouse.gov/omb/procurement_default (Accessed on Nov 1, 2011)

41 Toscano, Paul. "10 Companies that Make Billions from the U.S. Government". CNBC. April 8, 2011. http://www.cnbc.com/id/42494839/10_Companies_That_Make_Billions_From_The_U_S_Government?slide=1

42 GAO Report "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue" U.S. Government Accountability Office. March 2011. <http://www.gao.gov/new.items/d11318sp.pdf>

43 ibid.

conducts thousands of studies per year, there remains little to no follow through or substantive change in the way federal agencies operate, regardless of the outcome of these studies.⁴⁴ Instead of following the accounting practices every American must use to set their budget and balance a checkbook, the federal government has created its own set of auditing criteria – yet large portions of the government cannot pass a financial audit, most dangerously evident at the Department of Defense.⁴⁵

The American people do not believe expanding the federal budget is justified or that more federal government bureaucrats will solve our economic problems. More power leveraged from Washington is not the answer, and will only put a greater burden on the American people. As president, Governor Perry will work tirelessly to reduce the size of the federal government through the following actions.

ELIMINATE AND RESTRUCTURE WASTEFUL FEDERAL AGENCIES

America cannot continue to maintain centralized departments that waste our tax dollars and provide little to no benefit for everyday Americans. Eliminating or restructuring the following departments is the first step to shrinking our over-bearing federal bureaucracy.

Department of Commerce

The Department of Commerce should be eliminated, with key functions transferred to other more appropriate departments.

When the Department of Commerce was first created by Congress in 1903, it was actually called the Department of Commerce and Labor; the Department of Labor was spun off as a standalone agency 10 years later.⁴⁶ Since 1903, numerous programs and smaller departments have regularly moved in

and out of Commerce. The Patent Office was transferred from the Department of Interior to Commerce in 1925. In 1940, the Weather Bureau was moved from the Department of Agriculture to Commerce. The Bureau of Air Commerce, which assumed the responsibility for air traffic control in 1936, became the Civil Aeronautics Authority in 1938 and in 1958 was transitioned to what is now known as the Federal Aviation Administration (FAA); FAA is now part of the Department of Transportation.⁴⁷

Consolidation and reorganization are nothing new to the Department of Commerce, as evidenced by its history over the past 100 years. Just as private companies must adapt with the times, so too must government agencies be willing to change when necessary.

Although the Department of Commerce states that its current mission is to promote “job creation, economic growth, sustainable development and improved standards of living for all Americans,” its primary activities include statistical analysis, weather monitoring, fisheries oversight, and patent enforcement.⁴⁸ Those may all be worthy activities, but they do not represent a coherent, focused agenda. To allow the federal government to focus on the activities enumerated in the Department of Commerce’s mission statement, the Department of Commerce should be eliminated, and any vital programs should be transitioned to other agencies with more expertise and better alignment with a specific program’s core mission.

For example, the National Oceanic and Atmospheric Administration (NOAA) should be pared down and moved out of Commerce and into the Department of Interior, which has extensive experience overseeing natural resource management. The U.S. Census Bureau and U.S. Patent and Trademark Office should be converted into standalone agencies, reflecting their unique Constitutional mandates, while other statistical organizations should be transferred to the Departments of Treasury and Labor. The numerous trade-related organizations within Commerce, including the International Trade Administration, should be transitioned to and placed under the authority of the Department of Treasury. Programs targeting small businesses should be transitioned into the Small Business Administration.

44 GAO Reports and Testimonies. Accessed Nov 7, 2011 <http://www.gao.gov/browse/agency>

45 Rizzo, Jen. “Pentagon says it’s moving toward being ‘audit-ready’”. CNN Online. Feb 25, 2011. http://articles.cnn.com/2011-02-25/politics/defense.department.audit_1_dod-annual-audits-government-accountability-office?_s=PM:POLITICS

46 Department of Commerce, [Department of Commerce Milestones](#)

47 Federal Aviation Administration, [A Brief History of the FAA](#)

48 Department of Commerce, [About the Department of Commerce](#)

The Economic Development Administration should be phased out entirely, as proposed by President Ronald Reagan in the 1980s.⁴⁹

The Department of Commerce maintained an over \$9 billion budget in 2010, but the largest portions of the budget are directed at regulating oceans, managing fishing industries, and monitoring weather patterns – functions that do not require an independent department.⁵⁰

Department of Education

The Department of Education should be eliminated, with funding and authority for education returned to the states.

The Department of Education has drastically expanded its reach and budget since its creation in 1980. Its budget now has reached over \$77 billion in discretionary funds, and \$9.3 billion in mandatory funds.⁵¹ The Department of Education is a fundamental intrusion into the right of the state and parents to control the education of their children and must be eliminated. Overbearing federal regulation has tied the hands of administrators and teachers at the state and local level, with the costs of the No Child Left Behind Act estimated at of \$147 million for the increased paperwork burden (estimated at 6.7 million hours in 2006).⁵² Increases in federal involvement have been accompanied by declining test scores, even as spending per student has more than doubled since the 1970s. Even graduation rates have declined, with the highest graduation rate in the past 100 years occurring over a decade before the creation of the Department of Education.⁵³ Increased federal bureaucracy has not increased support for the teachers and administrators in our schools, or provided a better education for our students.

49 CATO Institute, [Economic Development Administration](#), February 2009

50 US Department of Commerce “The Department of Commerce Budget in Brief Fiscal Year 2012” http://www.osec.doc.gov/bmi/budget/FY-12BIB/2012_BIB.pdf

51 U.S. Department of Homeland Security. “About DHS” DHS website, accessed Nov 8, 2011. <http://www.dhs.gov/xabout/history/8th-anniversary-celebration.shtm>

52 Burke, Lindsey. “Reducing the Federal Footprint on Education and Empowering State and Local Leaders” Heritage Foundation, June 2, 2011.

53 Mathews, Jay. “Must-read new report on high school dropouts” Washington Post Class Struggle (blog), June 10, 2010, <http://voices.washingtonpost.com/class-struggle/2010/06/must-read-new-report-on-high-s.html>

The way forward for our education system is clear – we must eliminate the bureaucracy that consumes resources needed for our children’s education, returning more authority to the states, our communities, and our families. By block-granting all funding for elementary and secondary education to the states, and removing federal government control, states will be empowered to individualize their education systems, adapting them to meet each states unique population and challenges. Instead of a “one-size-fits-all” approach to education, we will return authority over our education system to those individuals with a personal investment in their society and the education of their own children.

Department of Energy

The Department of Energy should be eliminated, with key functions transferred to other more appropriate departments.

The Department of Energy also represents an over-reach of the federal government. Since its establishment in 1977, the Department of Energy has grown to a budget of over \$45 billion, 17,000 federal workers, and 100,000 contract workers.^{54,55} The department also operates 37 different subsidy programs, and continues to spend taxpayer dollars to skew the energy market.⁵⁶ To make matters worse, nearly 90 percent of the department’s budget is spent on contracts with third parties, with little to no oversight for those who receive taxpayer funding.⁵⁷

Instead of funding an over-sized federal agency to exert influence on the market, we should allow private industry and the private market decide which technology is the most cost-effective for the American people. Instead of allowing the federal government to decide which forms of technology and sources of energy merit further research and development, we should give industry the freedom to invest in the

54 “History of the U.S. Department Of Energy”. Accessed on Nov 7, 2011. http://www.lm.doe.gov/land/sites/oh/fernald_orig/AboutFernald/dhist.htm

55 CATO Institute “Downsizing Government – Department of Energy”. accessed Nov 8, 2011. <http://www.downsizinggovernment.org/energy>

56 *ibid*

57 CATO Institute. “Handbook for Congress”. accessed Nov 7, 2011. <http://www.cato.org/pubs/handbook/hb108/hb108-46.pdf>

technology they believe will succeed in the marketplace, through tax incentives for research and development and significantly lower corporate tax rates.

There are numerous examples of unnecessary programs within the Department of Energy. Over \$9 billion are spent annually within the Office of Energy Efficiency and Renewable Energy, which administers federal subsidies through specific programs for each major renewable energy source or efficiency technology.⁵⁸ By abolishing EERE's programs, the federal government could save up to \$24 billion over a 10-year period, and even the Congressional Budget Office agreed that the private sector performs technology development, demonstration of commercial feasibility and the deployment of new technologies better than the federal government.⁵⁹ Eliminating the Office of Fossil Energy Research would save \$1 billion, particularly in an area where private industry has the resources and desire to conduct this research independently (funding at least \$20 billion on R&D alone in 2010).⁶⁰ The Power Marketing Administration is another example. The administration exists to provide primarily market wholesale power from hydroelectric dams operated in select states. Eliminating federal funding for Power Marketing Administrations would save over \$1 billion. The programs described above represent a small selection of the many unnecessary programs embedded in the Department of Energy. The only way to guarantee the Department of Energy does not continue to grow, or allow a re-introduction of federal intervention in the energy market, is to fully abolish the department.

However, within the Department of Energy, the National Nuclear Security Administration (NNSA) and other key nuclear programs must be preserved and re-located to the Department of Defense. Our nuclear technology and capability (both civilian and military) are essential to U.S. national security, and must be preserved. The Department of Defense is a natural

location for our nuclear programs, protecting our vital national security interests, and preserves the structure that supports our nuclear power system.

Department of Homeland Security

The Department of Homeland Security should be streamlined and reconstructed.

The Department of Homeland Security represents another area of overgrown federal government. Since its creation in 2003, DHS has become the third largest federal agency, acting with an annual budget well over \$40 billion.⁶¹ While many have given DHS a free pass on their financial statements as the department has developed, we can no longer afford to let another massive federal agency operate without financial restraint, organization, or efficiency. In 2010, the Inspector General at DHS identified \$256 million in mismanaged funds, wasting American tax dollars and doing little to increase our national security, and had up to \$200 million in improper payments in FY2010.^{62,63} The same March 2011 GAO report outlined vast duplicity within the 17 DHS preparedness grant programs, and numerous duplications within FEMA programs. FEMA administers 19 mitigation grant and cooperative agreement programs, 28 grant and assistance programs relating to firefighters, and provided \$71.8 million in grant funding from 2004–2009 to fire departments using the preparedness grant programs.⁶⁴ As with the rest of the government, DHS wastes taxpayer dollars on bureaucracy – money that should protect our homeland security. A prime example of this government overspending and inefficiency is the Transportation Security Administration (TSA).

58 Coburn, Tom. "Back in Black – Department of Energy". July 2011. <http://bit.ly/rRcrsY>

59 Congressional Budget Office. "Reducing the Deficit: Spending and Revenue Options". March 2011. <http://www.cbo.gov/ftpdocs/120xx/doc12085/03-10-ReducingTheDeficit.pdf>

60 U.S. GAO. "Research and Development, DOE Could Enhance the Project Selection Process for Government Oil and Natural Gas Research", December 2008. <http://www.gao.gov/new.items/d09186.pdf>

61 FY 2012 Budget in Brief, Homeland Security November 8, 2011 <http://www.dhs.gov/xlibrary/assets/budget-bib-fy2012.pdf>

62 DHS IG Semiannual Report to Congress. April 1, 2010 – September 30, 2010 and October 1, 2010 – March 31, 2011. http://www.dhs.gov/xoig/assets/OIG_SAR_Apr10_Sep10.pdf, http://www.dhs.gov/xoig/assets/OIG_SAR_Oct10_Mar1

63 Coburn, Tom. "Back in Black – Department of Homeland Security". July 2011. <http://bit.ly/rRcrsY>

64 Coburn, Tom "Back in Black – Department of Homeland Security". July 2011. <http://bit.ly/rRcrsY>

Transportation Security Administration

The Transportation Security Administration should be transitioned to a public-private partnership.

The Transportation Security Administration (TSA) is a costly and bureaucratic mess that has done more to demean travelers than secure our nation's transportation corridors. The current government policy of accosting grandmothers and toddlers has done nothing to reduce the threat of terrorism or make America safer.

Less than a month ago, an undercover whistleblower shot extensive videos in Atlanta detailing how terrorists could use access to airline catering companies to traffic contraband onto aircraft due to lax TSA enforcement of security laws passed within weeks of 9/11.⁶⁵ At Hawaii's Honolulu International Airport, TSA personnel failed for months to screen thousands of bags for explosives before loading them onto aircraft.⁶⁶ In another incident, a breast cancer survivor was "subjected to a humiliating public patdown" after a TSA agent refused to let her retrieve medical documentation noting her prostheses.⁶⁷ And in 2010, a helpless Houston television reporter filmed TSA agents patting down his distraught 3-year-old daughter as she screamed, "Stop touching me!"⁶⁸

According to a recent congressional investigation of TSA, there have been over 25,000 security breaches since 2001 under TSA's watch. "Of the 25,000 breaches, more than 14,000 people were able to access sensitive areas of the airport and some 6,000 passengers and carry-on luggage were able to make it past government checkpoints without proper scrutiny," ABC News reported last July.⁶⁹

There is an existing model for effective public-private oversight of airport and transportation security that has been deployed for years in more than a dozen U.S. airports, including San Francisco and Kansas City,

Missouri, but the TSA administrator in January of 2011 explicitly prohibited additional airports from utilizing the optional public-private model.⁷⁰ The Screening Partnership Program (SPP) allows airports to hire qualified private screening companies that are overseen by federal authorities.⁷¹ In San Francisco, where the program has been extensively used, the private screeners were far more efficient than federal screeners. According to a lengthy congressional report on SPP, if federal screeners were as efficient as their private counterparts, salary savings at the nation's top 35 airports alone would total at least \$1 billion each year.⁷²

The current government-only model of transportation security should be phased out and replaced with a public-private partnership model along the lines of the successful Screening Partnership Program.

Environmental Protection Agency

The Environmental Protection Agency should be broken down and reconstructed with limited scope and authority.

The Environmental Protection Agency (EPA) has stretched far beyond its mandate, and is a leading threat to American jobs and economic recovery. Instead of focusing on the actual quality of our air and water, the Obama EPA looks for opportunities to delay and ultimately prevent development of our natural resources, and consistently ignores impacts on jobs and the cost levied on Americans. Restrictions on every day Americans are often defended in the name of environmental protection, while politically driven studies often outweigh balanced scientific research and cost-benefit analyses. Instead of working with individuals to preserve and protect the environment, the EPA is busy preventing the construction of essential drainage ditches to prevent flooding on the Mississippi River Delta, or fining unsuspecting

65 WSBTV, [Channel 2 investigation exposes major security breach at Hartsfield-Jackson](#), October 27, 2011

66 CNN, [TSA fires 28 over improper luggage screening at Honolulu airport](#), September 18, 2011

67 CBS News, [TSA sorry about breast cancer survivor patdown](#), October 4, 2011

68 myFOX Tampa Bay, [Screaming toddler's airport pat-down caught on camera; draws anger](#), November 17, 2010

69 ABC News, [25,000 Airport Security Breaches Since 2001](#): Congress, July 13, 2011

70 U.S. House of Representatives Committee on Transportation and Infrastructure, [TSA Ignores More Cost-Effective Screening Model](#), June 3, 2011 (pg. 23)

71 Transportation Security Administration, [Screening Partnership Program Overview](#)

72 U.S. House of Representatives Committee on Transportation and Infrastructure, [TSA Ignores More Cost-Effective Screening Model](#), June 3, 2011 (pg. 2)

homeowners for building their homes on newly classified “wetlands” without providing warning or documentation.^{73,74}

States are best equipped to monitor and enforce environmental laws. State and local officials are the closest to their environment, and care most about the well-being of their citizens and environment. Federal regulation is one-size-fits-all, with no consideration for the unique resources, industry, and environmental concerns in each individual state. Because of this, we believe we must dramatically reduce the size, budget, and influence of EPA. Instead of empowering a centralized organization of bureaucrats, we should return more regulatory power to state governments. With a budget of \$8.973 billion proposed for FY 2012, and the admission that 230,000 new regulator positions would be required to handle the full extent of increased regulation under the Clean Air Act, the EPA will only continue to grow in its current state.

In order to create a functional system that protects both the environment and jobs, we must dismantle the EPA in its existing state, and build a new, more effective organization that addresses national or regional issues that individual states cannot address on their own. Our reconstructed, limited EPA would be dramatically reduced in size and influence, returning more power of regulation and up to 60 percent of the current federal budget to state governments. The EPA must be an organization serving in a research and advisory role, with enforcement powers that are limited to national or regional issues for which the individual states seek arbitration or assistance. The EPA would no longer impose one-size-fits-all restrictions on mandatory technology implementation or maximum emissions limits. Within this role, the reconstructed EPA will continue to perform valuable work collecting and reporting data on national emissions trends and safety practices.

The EPA should and will remain a valuable resource for performing environmental analyses and cost-comparison studies, establishing a common understanding

of scientific analysis and providing a research infrastructure not available at the state level. The EPA’s reach must be narrowly construed to prevent a return to our current regulatory challenges in the future. By returning more authority to the states, we can empower state regulators that are more in tune with the specific needs, challenges, and solutions that work best for their particular state. We embrace the idea that the best regulators are those who live in the community they are regulating – with a personal investment in clean air, water, and wise use of natural resources, along with an understanding of local industry and development.

Privatize Fannie and Freddie

Fannie Mae and Freddie Mac should be phased out and returned to the private sector.

The Federal Note Mortgage Association and the Federal Home Loan Mortgage Corporation, known as Fannie Mae and Freddie Mac, are publicly traded and government-sponsored enterprises that specialize in mortgage securitization. They purchase mortgages from originators, pool them together to form new securities, and sell those newly formed securities in the secondary market. Proponents of the organizations have asserted for years that the mortgage securitization process reduces mortgages rates and makes homes more affordable. However, the current economic and financial crises prove that more than anything else, the federally guaranteed and taxpayer-backed Fannie/Freddie business model succeeded only in creating horrible investment incentives that led directly to the mortgage and housing meltdown.

The previously implicit guarantee of a federal bailout that was made explicit in the recent Fannie/Freddie bailouts was a significant contributor to the systemic collapse of the housing market. First, mortgage originators did not have to be as diligent in checking the credit quality of potential borrowers since many of the new mortgages would be sold to Fannie/Freddie and removed from the originating bank’s balance sheet. Due to the expectation of taxpayer-funded bailouts and convoluted financial engineering that assumed mortgages nationwide would never go bad all at once, Fannie/Freddie also paid scant attention to the credit quality of borrowers. And adding fuel to the fire were

73 Pacific Legal Foundation News Release “PLF’s Reed Hopper to testify on Capitol Hill about EPA regulatory abuse” May 10, 2011. <http://www.pacificlegal.org/Reed-Hopper-to-testify-on-Capitol-Hill-about-EPA-regulatory-abuse>

74 World Net Daily “EPA to property owner: ‘Your land is our land’ \$40 million in fines pending over plan to build new home”. September 23, 2011 <http://www.wnd.com/?pageId=348077>

investment banks that used artificially low interest rates to accumulate massive amounts of debt to magnify their expected returns on mortgage securities that would never go bad. The Fannie/Freddie business model emphasized mortgage quantity over mortgage quality, and taxpayers and homeowners were forced to eventually pay the price.

The incompetent and potentially fraudulent behavior of Fannie Mae executives only worsened the situation. The Associated Press reported earlier this year that the Securities and Exchange Commission was considering charges against the former chief executive of Fannie Mae for failing to properly disclose the organization's exposure to risky loans.⁷⁵ Earlier this month, news reports surfaced that despite forcing taxpayers to provide more than \$100 billion in bailouts, Fannie/Freddie still awarded nearly \$13 million in bonuses to their executives.⁷⁶ Only an incompetently managed government-sponsored enterprise could believe that bankruptcy and bailouts should be rewarded with lavish bonuses. And just last week, Fannie Mae tapped taxpayers for an additional \$7.8 billion in bailout money following a quarter in which the organization lost \$5.1 billion.⁷⁷

Going forward, Fannie Mae and Freddie Mac must be completely removed from the federal government's balance sheet, either through a gradual liquidation of investment portfolios or a completely private spin-off from its current government conservatorship.

FULL AUDIT OF THE FEDERAL GOVERNMENT

It is unacceptable that the federal government can continue to operate with rampant waste and duplicity. Instead of looking the other way, and allowing some of our most valuable departments to continue down a road of financial irresponsibility, we believe it is essential that all federal departments and agencies put their financial house in order. Despite over 11,000 reports on financial audits conducted by the GAO, every federal department has rampant inefficiency and

financial discrepancies.

After thorough analysis of the 2010 Agency Financial Report for the Department of Health and Human Services, an independent auditor discovered the department was not even in compliance with federal financial management law, and that over 100,000 transactions (totaling almost \$2 billion in taxpayer dollars) were lost in the system, neither paid out to recipients nor returned to the treasury. HHS also maintained an inexplicable difference of almost \$800 million dollars between their records and those of the Department of Treasury.⁷⁸

The financial accountability in the Department of Defense is even more frightening. Our most valuable department remains one of the few agencies in the federal government that is unable to pass an independent financial audit.⁷⁹ The department has never had the capability to pass an audit – meaning more of our taxpayer dollars are lost in waste, inefficiencies, and bureaucracy, instead of reaching our warfighters. By subjecting the Department of Defense to a full financial audit, the department could locate savings of up to \$25 billion per year for the next 10 years.⁸⁰ With our military service members risking their lives to protect U.S. interests overseas, we cannot afford to waste \$25 billion through poor financial management.

We cannot continue to ask Americans to balance their checkbooks and pay their mortgages on time if the federal government continues to waste their tax dollars through irresponsible financial management. We must hold our federal government to higher standards, and institute a full audit of the federal bureaucracy.

78 Summary of Findings of the Ernst & Young audit. Office of Senator Tom Coburn. Accessed Nov 7, 2011 http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File_id=6a04c50e-72c7-477e-ac37-cbae0f575d10

79 Coburn, Tom. "Back in Black – Department of Defense". July 2011. <https://docs.google.com/viewer/BackinBlack/Defense>

80 Knobel, John, "How Financial Improvement / Audit Readiness Efforts Can Reduce Leakage' (Inefficiencies) in Financial Operations: Based on the Marine Corps Experience to Date". Department of the Navy Powerpoint Presentation, September 2009.

75 Associated Press, [SEC may charge former head of Fannie Mae](#), March 14, 2011

76 Fox News, [Sixty Senators Decry "Wildly Imprudent" Bonuses at Fannie, Freddie](#), November 4, 2011

77 Reuters, [Fannie Mae taps \\$7.8 billion from Treasury, loss widens](#), November 8, 2011

ELIMINATE FEDERAL GOVERNMENT WASTE AND REDUNDANCY

The federal government is racked with inefficiencies and duplicative programs. Despite numerous reports on federal inefficiencies (most notably the 300-plus-page GAO report on redundancies within the federal government, released in March 2011), there remains little progress towards eliminating these inefficiencies.⁸¹ The GAO found that the federal government currently supports 80 federal programs for economic development, spread across four federal agencies or departments (Commerce, USDA, HUD, and SBA).⁸² In addition to their mission over-lap, the majority of these programs are not evaluated for long-term benefit to the recipients or administration costs, and each program comes with its own bureaucracy.⁸³ Nearly 70 federal agencies conduct statistical collection and analysis. There is no reasonable explanation for this division, as separating these tasks only makes data collection more complex and disjointed. By consolidating the Bureau of Labor Statistics with the Bureau of the Census, data collection would be more streamlined as program redundancy was reduced, saving the taxpayers \$50 million over 10 years.⁸⁴ The federal government operates 20 federal programs within 12 different federal agencies to investigate invasive species⁸⁵, and owns over 55,000 unused properties

nationwide.⁸⁶ And worst of all, our federal government spends \$317 million per year on Title X family planning funding, with over \$80 million going to organizations that fund abortions, such as Planned Parenthood.^{87,88} The federal government should not be in the business of dictating partisan social policy through federally funded programs.

Waste and redundancy within the federal bureaucracy must be eliminated. Every dollar lost in the system is one that is stolen from the American people – this irresponsible management cannot continue. While the programs and cuts listed above represent a sample of the waste and duplicity in the federal government, every aspect of the federal government must be on the table. Governor Perry will work with Congress to pass legislation implementing the GAO recommendations on duplicitous programs, and will establish legislation that reviews and eliminates wasteful and duplicitous programs, agencies, and departments and does not allow new programs to be funded or created without thorough analysis of their cost, necessity, and benefit to the American people.

81 GAO Report "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue" U.S. Government Accountability Office. March 2011. <http://www.gao.gov/new.items/d11318sp.pdf>

82 GAO Report "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue" U.S. Government Accountability Office. March 2011. <http://www.gao.gov/new.items/d11318sp.pdf>

83 ibid

84 Weinstein, Paul and McMinn Campbell, Katie. "Return to Fiscal Responsibility II". Public Policy Institute. April 2007. http://www.dlc.org-documents-Fiscal_Responsibility_04302007.pdf

85 Coburn, Tom. "[Possible Program Terminations and Consolidations](#)". Accessed Nov 7, 2011.

86 Javers, Eamon. "Government Needs Buyers for Unused Federal Real Estate". CNBC.com. Nov 22, 2010. http://www.cnbc.com/id/40314719/Government_Needs_Buyers_for_Unused_Federal_Real_Estate

87 Coburn, Tom "Back in Black – Department of Health and human Services". July 2011.

88 Rucker, Philip and Sandhya Somashekhar "GOP's latest proposal for Planned Parenthood funding" Washington Post. April 8, 2011 http://www.washingtonpost.com/politics/budget-impasse-puts-focus-on-planned-parenthood-womens-health/2011/04/08/AFgm6a2C_story.html

Fundamental Spending Reform

Balance the Federal Budget

The federal government doesn't have a revenue problem, it has a spending problem. Last year the government spent \$1.3 trillion more than it collected, and total federal debt now approaches \$15 trillion.^{89,90} By the end of this year, the White House Office of Management and Budget expects the gross amount of federal debt to exceed the size of America's entire economy for the first time in over 65 years.⁹¹ And according to OECD data, America's federal debt relative to its economy is 27 percent higher than the average for all other OECD countries.⁹²

89 Congressional Budget Office, [The Budget and Economic Outlook: An Update](#), August 2011 (pg. 20)

90 Office of Management and Budget, [Historical Tables – Table 7.1](#)

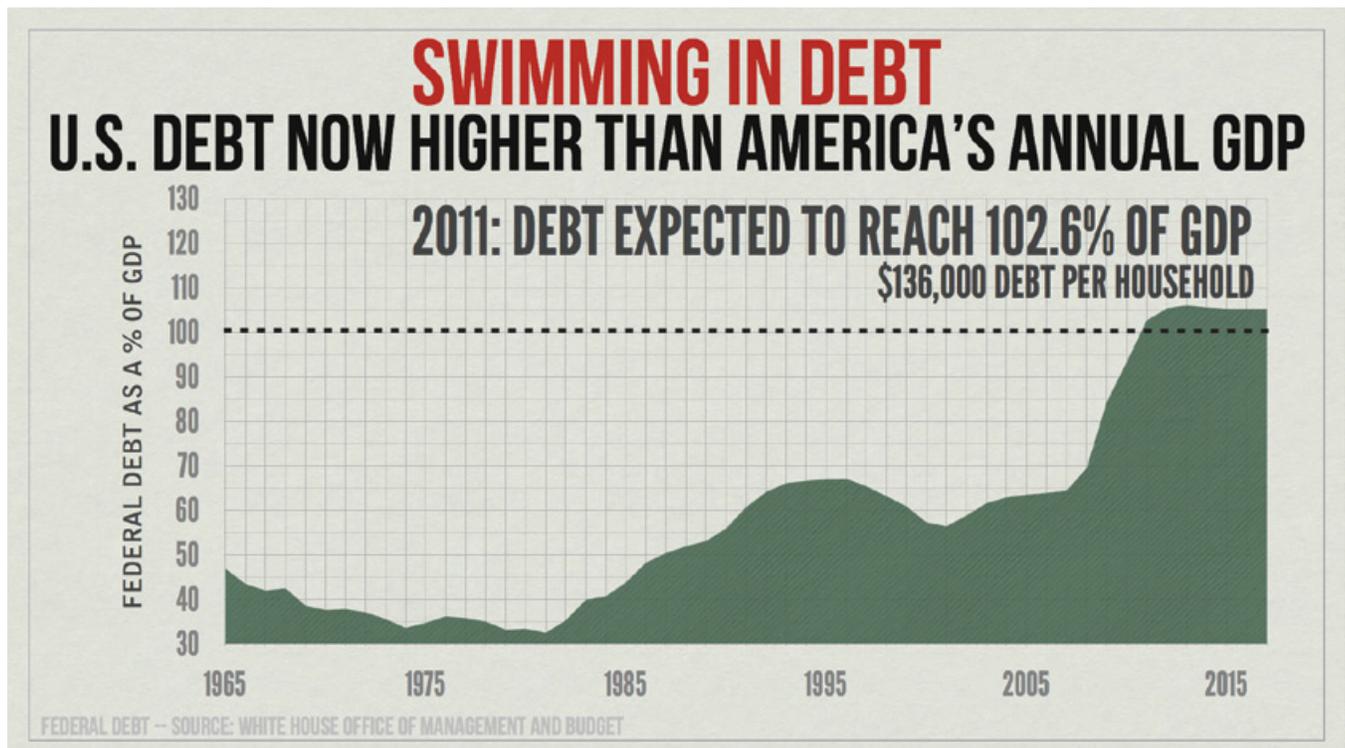
91 Office of Management and Budget, [Historical Tables – Table 7.1](#)

92 OECD, [General government gross financial liabilities – Annex Table 32](#); Data for Chile, Israel, Mexico, and Turkey were excluded from OECD's data set

While interest rates today remain low, the inexorable rise of federal spending debt will eventually lead to higher interest rate and payments, lower economic growth, and lower standards of living. The current economic crisis affecting Europe paints a portrait of America's future if Washington politicians refuse to make changes to the federal budget. If current spending and debt trends continue, individual Americans can each expect by 2035 to have \$10,300 less to go around due to the crowding-out effects of the ever-increasing federal debt.⁹³

Every child born today is immediately saddled with a federal debt burden of more than \$46,000. The share of federal debt for each American household

93 Peter G. Peterson Foundation, [The Federal Budget Primer](#), November 8, 2010



AMERICA'S OUT OF CONTROL DEBT

FEDERAL DEBT HAS GROWN BY MORE THAN 50% SINCE 2008



U.S. DEBT -- SOURCE: WHITE HOUSE OFFICE OF MANAGEMENT AND BUDGET

is now \$136,000.^{94,95} That exceeds the 2010 median sales price of existing homes in cities like Akron, Indianapolis, and Amarillo.⁹⁶ The current administration just wrapped up three consecutive years of trillion dollar deficits and added more than \$4 trillion in new debt – an amount greater than the size of the entire federal debt less than 20 years ago.^{97,98}

There exists a simple solution to America's spending problem: a balanced budget. To get a handle on its federal debt problem, the federal government must first stop spending more than it collects each year. Only then can it begin to reduce the total amount of federal debt and free every American family from the debtor's prison that was erected by years of overspending and fiscal mismanagement. This nation cannot its federal government to continue down a path of overspending and mismanagement. As president, Governor Perry will tirelessly pursue the following reforms.

94 Office of Management and Budget, [Historical Tables – Table 7.1](#)

95 Census Bureau, [American Community Survey](#), 2009

96 National Association of Realtors, [Median Sales Price of Existing Single-Family Homes for Metropolitan Areas](#), 2008-2010

97 CBS News, [National debt has increased \\$4 trillion under Obama](#), August 22, 2011

98 Office of Management and Budget, [Historical Tables – Table 7.1](#)

DEMAND A BALANCED BUDGET AMENDMENT THAT DOES NOT RAISE TAXES

American prosperity has been gravely threatened by runaway spending, increasing debt and deficits, and a political class that refuses to make the tough decisions necessary to restore order to the nation's fiscal house. A balanced budget amendment to the Constitution that limits spending and protects families from tax increases will force Washington lawmakers to finally make the tough decisions about federal spending priorities.

While some inside the Beltway have advocated a so-called "balanced" approach that would raise taxes on middle-class families who are already struggling to pay their bills, innocent American families should not be forced to forever pay the tab run up by spend-thrift politicians. Congress must send a balanced budget amendment to the states as soon as possible to begin the process of getting the federal government's spending and debt problems under control.

CAP FEDERAL SPENDING AT 18 PERCENT OF GDP AND BALANCE THE BUDGET BY 2020

Cap Federal Spending

If the federal budget is ever going to be balanced – the first step that must be taken before America’s enormous debt burden can be reduced – federal spending must be capped at 18 percent of GDP to avoid a tax burden that far exceeds the national historical average. Since 1960, the ratio of total federal tax receipts to GDP has averaged 18 percent.⁹⁹

The country’s debt and deficit problems were not created overnight and will not be solved overnight. Further, the current economic crisis requires immediate tax reform and tax reductions to spur growth that will increase the time it takes to get to balance, but will put the nation on stronger long term footing. A gradual step-by-step process that acknowledges the political realities of deficit reduction will be required to put the country back on the path to fiscal sanity.

Credible and workable plans to balance the budget within ten years by reforming entitlements and curbing discretionary spending have been proposed in both houses of Congress. A proposal put forth by Sen. Pat Toomey of Pennsylvania balances the budget by 2020 and sets federal spending equal to 18.4 percent of GDP.¹⁰⁰ The Republican Study Committee budget proposal in the House also balances in 2020 at federal spending equal to 18 percent of GDP.¹⁰¹ Workable balanced budget proposals have also been proposed outside Congress. The “Saving the American Dream” plan prepared by the Heritage Foundation reduces federal spending to 18 percent of GDP by 2019 and reaches balance by 2022.¹⁰²

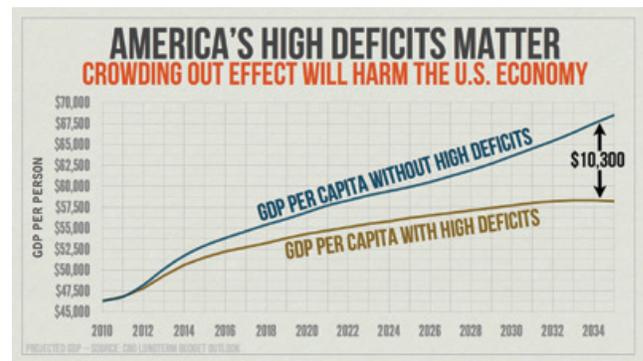
By working with committed lawmakers who have put forth detailed and credible budget proposals, the president and Congress can eliminate the federal deficit by 2020.

99 Office of Management and Budget, [Historical Tables – Table 1.3](#); Includes total federal tax receipts as a percentage of GDP from 1960 through 2010

100 Sen. Pat Toomey, [Restoring Balance: A budget proposal for fiscal year 2012 that balances the budget and encourages economic growth](#), May 10, 2011 (pg. 5)

101 Republican Study Committee, [Fiscal Year 2012 Budget](#), Apr 2011 (p. 33)

102 Heritage Foundation, [Saving the American Dream: The Heritage Plan to Fix the Debt, Cut Spending, and Restore Prosperity](#), 2011 (pg. 46)

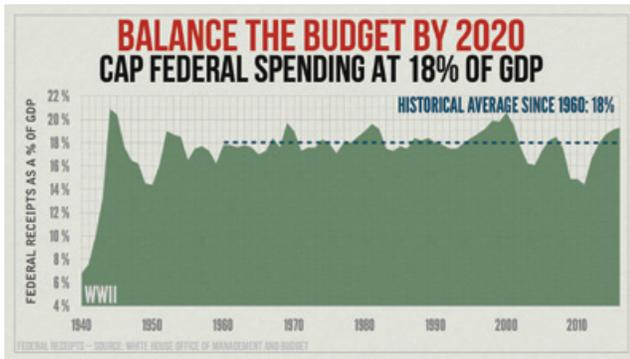


Require Presidential Signature on Every Federal Budget

As the individual who ultimately authorizes, via his or her signature, the expenditure of taxpayer money, the president must have a stake in annual budget negotiations. The country’s massive fiscal problems will not be solved through executive or legislative action alone. Giving a budget resolution the force of law via a presidential signature will also subject spending levels within the resolution to statutory spending caps. Under current the law, Congress adopts a concurrent resolution which does not require a presidential signature and does not carry the force of law.

Require a Two-Thirds Majority for any Tax Increases

An essential part of any Balanced Budget Amendment is changing the way our leaders in Washington approach tax increases on the American people. Tax hikes on the American people cannot be the solution to our deficit problems. Congressional leaders cannot continue to fund their “sacred cows” by adding a burden to the already suffering American people. As President, Governor Perry will work with Congress to draft legislation requiring a two-thirds majority to pass any increase in taxes on the American people. Overspending, not undertaxation, is the cause of our nation’s deficit woes, and the best way to eliminate deficits is by spending within our means.



Pay-for-Performance for Politicians and Bureaucrats

Balancing our federal budget must be our first priority, and lawmakers must be held accountable for irresponsible spending, and prevented from simply spouting rhetoric about a balanced budget with no action. While we work to ratify a Balanced Budget Amendment, we must hold our leadership in Washington accountable, and create consequences for increasing spending and refusing to pursue a balanced budget.

Until a Balanced Budget Amendment is passed, we would support legislation to cut Congressional pay in half, if Congress fails to propose a long-term balanced budget. Each year, Congress is required under the Budget Enforcement Act to submit long-term budgets that span at least five years, but in recent years it has proposed 10-year budgets.¹⁰³ If Congress does not want its pay cut, it must submit a long-term budget that balances within the 10-year window. Congress will never balance the budget if it is consistently allowed to not pass a budget at all.

According to the Library of Congress, lawmakers last passed a federal budget in April of 2009, more than two and a half years ago.¹⁰⁴ Despite a requirement in federal law that Congress pass an annual budget by April 15 each year, Congress regularly fails to do so, yet for some reason lawmakers still continue to get paid handsomely.¹⁰⁵ Regular Americans who chose to completely ignore the April 15 tax day deadline would never receive such kind treatment from federal

¹⁰³ Budget Enforcement Act, [Budget Enforcement Act](#) p. 9

¹⁰⁴ Library of Congress, [Status of Appropriations Legislation for Fiscal Year 2010](#), May 19, 2011

¹⁰⁵ Congressional Budget Act, [Title III](#)

authorities. Just as private companies regularly connect employee pay to performance, the federal government needs to utilize simple incentives in order to get politicians to do their jobs. Cutting pay for a complete lack of performance is a good start.

We will also fight for an across-the-board pay freeze for all federal employees, excluding the military and public safety workers, until a balanced budget is achieved. The federal workforce has ballooned under the current administration, with 175,000 new positions being created since 2009.¹⁰⁶ Americans deserve a leaner, more efficient federal workforce, not one that pays its employees far more than what comparable private employees receive, or one that hands out bonuses and promotions regardless of performance. Federal bureaucrats should not receive real increases in pay while taxpayers are losing their jobs and struggling to pay their bills.

Balancing our federal budget must be our first priority, and lawmakers must be held accountable for irresponsible spending. We cannot allow our leadership to simply spout rhetoric about a balanced budget with no action.

Reduce Non-Defense Discretionary Spending by \$100 Billion in the First Year

Americans who depend on entitlement programs like Medicare and Social Security will not trust lawmakers to tackle entitlement reform until they have proven they can eliminate waste and duplication from the discretionary budget. By cutting non-defense discretionary spending by \$100 billion and restoring it to 2008 levels, Washington can demonstrate that it is serious about making the tough decisions necessary to balance the budget. Sen. Tom Coburn recently proposed \$9 trillion worth of specific ideas on how to reduce federal spending, and other lawmakers have proposed ambitious plans to trim the federal budget. Instead of continuing the cycle of rhetoric, Governor Perry would champion these debt reduction efforts.

¹⁰⁶ U.S. Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, [\\$1.4 Trillion in Savings](#), September 2011 (pg. 3)

PERMANENTLY BAN EARMARKS

Individuals who depend on programs like Medicare and Social Security will never trust Washington to reform those programs as long as lawmakers spend billions of dollars on Bridges to Nowhere. In order to be trusted with vital entitlement programs, Congress and the president must first prove that they can be trusted to not waste money on smaller items like earmarks. A permanent ban on earmarks will demonstrate to American taxpayers that Washington is serious about tackling the nation's unsustainable fiscal problems.

In order to restore the credibility of our lawmakers, we must fully support a permanent ban on earmarks, and the hidden "programmatic requests" for additional funds. As President, Governor Perry will work with Congress to draft legislation permanently banning earmarks, and refuse to sign any bills containing earmarks until that legislation passes.

NO MORE BAILOUTS

The Troubled Asset Relief Program, also known as TARP, was wrong when it was signed into law in 2008, it is wrong today, and it will be wrong tomorrow. Instead of bailing out irresponsibly managed banks with taxpayer money, policy makers should focus on removing the government-created incentives that created the financial crisis in the first place. Although alternatives to TARP had been proposed prior to the legislation's ultimate passage, including a proposal from the Republican Study Committee, Washington politicians preyed on the fears of a financial collapse to ram the bailout through Congress.

Contrary to the claims of many TARP proponents that the bailout would allow troubled banks to expand lending and potentially prop up the faltering economy, lending contracted even further. According to an analysis of TARP expenditures by the Washington Post, lending declined in the immediate months following TARP's passage and banks that received TARP money "reduced lending more sharply than banks that didn't."¹⁰⁷ Our leadership in Washington

¹⁰⁷ Washington Post, [Despite Federal Aid, Many Banks Fail to Revive Lending](#), February 3, 2009

cannot allow this continued irresponsible and unproductive spending. As President, Governor Perry will continue to oppose and never sign a taxpayer funded bail-out. If a bank, company, or nation is "too big to fail," it is simply too big.

PAYGO FOR NEW FEDERAL PROGRAMS

Before creating any new federal programs, Washington politicians must first eliminate or reduce spending in existing programs in amounts equal to or greater than the new program. For too long, Washington politicians have created new federal programs without eliminating existing programs that may be duplicative, ineffective, or wasteful.

For example, in March 2011, the Government Accountability Office (GAO) produced more than 300 pages on redundancies within the federal government, citing 34 specific examples of duplicative and overlapping programs where the federal government could save billions of dollars by consolidating duplicative organizations.¹⁰⁸ A lack of political will, not credible options, is the reason for rampant duplication throughout the federal government. We must fight for legislation that requires Congress to eliminate or reduce spending on existing programs in amounts equal to or greater than any new proposed federal program before it can be implemented.

VETO ANY BILL WITH UNFUNDED MANDATES

The federal government cannot continue to produce behemoth programs that force unfunded federal mandates on the states, local communities, and the American people. As president, Governor Perry would commit to veto any legislation sent to the White House containing a new, unfunded federal mandate.

¹⁰⁸ Government Accountability Office, [Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue](#), March 2011 (pp. 10-12)

INSTITUTE AUTOMATIC GOVERNMENT SHUTDOWN PROTECTION

American troops overseas and senior citizens should not have to worry about their income security because Washington politicians refuse to do simple things like pass a budget or fund the government. They should not be used as hostages in a partisan political battle to see which party can hold out the longest before the other blinks. Automatic Government Shutdown protection must be implemented to protect our soldiers and citizens. If Congress cannot reach an agreement, and cannot sign a budget or specific spending bills into law before the end of a fiscal year, the federal government would be automatically funded at the previous year's level of spending, ensuring we do not have continued partisan stand-offs.

END BASELINE BUDGETING AND REQUIRE COMMON-SENSE SCORING RULES

Current Washington budget rules assume that new programs and spending increases continue forever, an assumption that has led directly to the massive increase in federal spending over the last decade. In contrast, tax relief provisions are often assumed to expire at the end of a five- or ten-year window. The result is upward pressure on spending and tax collections, all due to arbitrary scoring rules written in the mid-1970s.

Unlike Congress, families struggling to make ends meet cannot assume an infinite stream of money to make ends meet. Every single federal agency and program should be required to justify every dime of funding they wish to receive from taxpayers, instead of continued funding being treated as a given. It is time for Washington politicians to treat taxpayer money just like taxpayers do.

Dynamic scoring should also be required for tax legislation. The current system of static scoring ignores the fact that people and companies behave differently depending on how they are taxed. Dynamic scoring would take into account the incentives of different proposed tax policies and the increased economic growth and job creation that can result from lower tax rates and long-term predictability of the tax code.

REQUIRE EMERGENCY SPENDING TO BE SPENT ONLY ON EMERGENCIES

Data compiled by CBO shows that since 2003 Congress has appropriated an average of \$120 billion each year in so-called supplemental spending bills.¹⁰⁹ When "emergency" designations are applied by Congress to those bills, they become exempt from normal budget rules and spending caps. True emergencies are not nearly as predictable as Washington politicians using budget loopholes to get around spending rules.

A 2010 analysis by the Concord Coalition found that misuse of emergency spending bills has directly led to higher spending and deficits.¹¹⁰ Instead of pretending that predictable expenditures should be given special treatment to avoid spending caps, lawmakers should only be allowed to use the emergency declaration on true emergencies that are purely unforeseen, unpredictable, unanticipated, and entirely temporary in nature.

¹⁰⁹ Congressional Budget Office, [CBO Data on Supplemental Budget Authority for the 2000s, 2010](#)

¹¹⁰ The Concord Coalition, [Growing Misuse of "Emergency" Designation Weakens Budget Discipline and Increases Deficit Spending](#), May 10, 2010 (pg. 3)