



White House orders spring cleaning at federal agencies

Leandra Bernstein

April 14, 2017

The White House Office of Management and Budget (OMB) issued a memorandum on Wednesday that lifted the temporary federal hiring freeze and instructed the agencies to start their spring cleaning, clean out the closets and draft plans that will identify the programs, employees, and even agencies that simply aren't worth the cost.

This 14-page guidance memo follows on the heels of President Donald Trump's March 13 executive order which called for the reorganization of government to be leaner, more efficient and more accountable to taxpayers. Accomplishing that goal will mean a big fight to reduce not only the size and cost but even the scope of government.

In an off-camera briefing earlier this week, OMB Director Mick Mulvaney described the reorganization as a way to rebuild government "from scratch." In the course of 240 years, the executive branch has never been rebuilt, he told reporters. "The President of the United States has asked all of us in the executive branch to start from scratch, a literal blank piece of paper and say, if you're going to rebuild the executive branch, what would it look like?"

The memo itself requires all executive agencies to take immediate steps in line with the president's budget to reduce the size of their workforce, implement cost savings measures, develop a plan to maximize employee performance, and start to identify areas of waste, duplication and inefficiencies.

The Office of Management and Budget has not come out with an estimate of how many jobs will be cut from the federal workforce. Mulvaney only indicated that the Trump administration believes it can run the government with "fewer people" than the previous administration.

"This is a big part of draining the swamp," Mulvaney said, adding that the government reorganization plan "is a centerpiece of his campaign and a centerpiece of his administration."

The call for government-wide workforce reductions should come as no surprise from the president who vowed on the campaign trail to end government waste, fraud and abuse and "cut so much, your head will spin." It is also largely consistent with his cabinet appointments who have been described by both critics and members of the administration as seeking to dismantle the very agencies they are now heading. That includes charter school advocate Betsy Devos at

the Department of Education, Environmental Protection Agency (EPA) director Scott Pruitt who brought dozens of lawsuits against the agency, and Energy Secretary Rick Perry who once called for the complete elimination of the Department of Energy.

Reductions in the federal workforce could go into effect relatively soon under the deep cuts requested by the White House for in its 2017 and 2018 budget. In Trump's 2018 budget proposal a number of federal agencies and dozens of programs for deep cuts or complete elimination, with the biggest losses at the EPA, the State Department, the Department of Agriculture, and the Department of Labor.

The Trump administration's approach to increasing government efficiency is a cause for concern for Sen. Chris Van Hollen whose home state of Maryland has the largest number of federal employees per capita than any other state in the Union.

"It's important to make [government] more efficient in the right way, not the kind of deep, across-the-board cuts that have been proposed by the Trump administration," Van Hollen told Sinclair Broadcast Group. By slashing both the budgets and workforce of federal agencies, he said, "it will mean less services to the American public, and it could also hurt Maryland's economy."

The White House has repeatedly said that its budget proposal and government reorganization memo were drafted without seeking input from special interests or constituencies who may be impacted. The Trump administration is approaching government spending from a purely utilitarian standpoint, Mulvaney indicated, trying to "deliver a better value for everybody involved."

Van Hollen is also paying close attention to how those cuts to the budget and federal workforce will play out locally and also around the country. "Those agencies provide services to Americans throughout the country," he argued. "When you hurt them arbitrarily, when you just slash their budgets, you're denying services around the country, you're also impacting the Maryland economy."

David Kreutzer is a labor market expert at the Heritage Foundation and was sent to review operations at the EPA as part of the Trump transition team. During his two months on the transition, he saw a number of projects at EPA that he said did not align with the chartered mission of the agency.

The purpose of the directive, Kreutzer explained, is to ensure that the work undertaken by the agencies is worthwhile, that it provides sufficient benefit for the cost, and is not a distraction from the primary mission of the agency.

"There's a lot of good that can be done by giving a clear-eyed look at the function of agencies across the board," Kreutzer said. "It's a good start to go through, look at everything you do and ... get rid of the stuff that isn't actually generating benefits equal to the costs."

Previous administrations have had a similar mission to make government smaller and met with some success, but Trump's "blank piece of paper" approach could make this attempt at reform different.

"In this case there's a more realistic view about the role of government, the role of regulations," Kreutzer said, "to get [government] back to those projects and regulations that have a definitive and documentable positive impact."

The clock is already ticking on executive branch agencies who have until June 30 to submit their initial plans and September to finalize them. At that time, the plans will be "hardwired" into the 2019 budget. The 2019 budget is where many of the major changes are likely to start to emerge as the agencies begin looking for programs, personnel and activities to eliminate. The functions of the agency will be checked against OMB criteria, such as whether the program is duplicative of another agency's program, whether it can be done more effectively by a state or local government or by the private sector, and whether it has performed up to expectations, in other words, that its worth the expenditure of taxpayer money.

This body of analysis is what will most likely be used to justify the figures the White House will lay out in its 2019 budget and beyond, according to Chris Edwards, the director of tax policy at the Cato Institute.

"The purpose of this process is to provide research and support for the cuts they want to make a year or so from now," Edwards said. The Trump administration, he added, is giving the agencies a pretty long time-frame — through approximately July 2018 — for the agencies to "build a case for some serious cuts."

The reviews ordered by OMB will likely to provide the evidence of inefficiency or waste that the administration would need to justify cutting certain programs that have persisted because of special interests or because they're someone's pet project.

Part of the reason Trump's attempt to shrink the government could be even more effective than previous changes made under Ronald Reagan, Bill Clinton or George W. Bush is because of the team he has chosen to head the agencies he seeks to cut.

Trump's cabinet picks are in no way seeking to defend the status quo, said Donald F. Kettl, professor and former dean of the University of Maryland School of Public Policy.

"Trump's new cabinet secretaries are coming in with the idea that much of they are in charge of needs to be changed," he said.

The president and his appointees are approaching the job with "big ideas about fundamental changes" to government, Kettl explained. Many of those ideas call into question the fundamental role of the federal government organizations in everything from enforcing environmental regulations, to involvement in the health care system, or even providing veterans care.

"I think what we're going to be seeing is a sweeping debate over a lot of these fundamental discussions," Kettl said, "not with a blank sheet of paper, because there is a lot of history, but on some fundamental questions that are going to be bringing a lot of these assumptions we've had in the past into sharp focus."

The White House draft budget for 2018 calls for \$54 billion in spending cuts to domestic programs, which will offset a \$54 billion increase in defense and national security spending. For

the remainder of 2017, the president has asked Congress to cut \$18 billion from the non-defense budget. Congress has until April 28 to approve the budget for the remainder of 2017. Failure to pass a budget by that time will trigger a government shutdown.