

The Washington Post

June 8, 2010 Tuesday
Suburban Edition

Obama eyes cuts in agency budgets; White House requests trims as deficit fears continue to grow

BYLINE: Lori Montgomery

SECTION: A-SECTION; Pg. A01

The White House is directing agencies to develop plans for trimming at least 5 percent from their budgets by identifying programs that do little to advance their missions or President Obama's agenda.

The request, made amid rising public anxiety over government spending, comes on top of a pledge by Obama this winter to freeze spending at most agencies for the next three years. In a joint memo to be delivered Tuesday morning, White House Chief of Staff Rahm Emanuel budget director Peter Orszag order agency heads to go further by listing the programs that "are least critical" to their overall goals.

Republicans have relentlessly hammered Obama and congressional Democrats for their roles in driving budget deficits to record levels with expensive stimulus spending. With voters increasingly alarmed about the run of red ink, and with midterm congressional elections approaching, the White House has stepped up efforts to blunt criticism. The new directive is the latest in a series of initiatives, legislative proposals and veto threats in recent weeks aimed at demonstrating that Obama is minding every penny.

"The public wants to know that we're willing to be very aggressive on spending. They're willing to invest, but they also want to know that you're going to wear the green eyeshades," Emanuel said in an interview Monday. "That's exactly what's happening here."

Previous administrations have asked agency heads to justify programs, but budget analysts said they could not recall a time when agencies had been ordered to volunteer programs for elimination. To encourage cooperation, Obama also will ask Congress for new authority to let agencies keep half the savings they identify, administration officials said. The agencies could then put the cash toward higher priorities rather than surrendering it all for deficit reduction, as is typical.

It is hard to say which programs are likely to attract the ax. Administration officials frequently refer to dozens of duplicative programs scattered across government. In a speech he is set to deliver Tuesday, Orszag will point to 110 programs dedicated to advancing science and math education, more than 100 to youth mentoring, and more than 40 to employment and job training.

"This redundancy wastes resources and makes it harder to act on each of these worthy goals," Orszag will say, according to an advance copy of the speech.

The memo directs agency heads to supply their lists to the budget office by Sept. 13. Orszag said his office will not necessarily urge that all the targeted programs be shut down but will use agency recommendations to make sure the president's overall 2012 budget blueprint meets the goal of freezing all discretionary spending except in national security.

"The American people deserve a government that spends every taxpayer dollar with as much care as taxpayers spend their own dollars -- where money is spent not out of inertia, but only when it contributes to achieving a clear national priority," Emanuel and Orszag write in the memo, according to an early draft.

The approach is modeled on a Defense Department program, announced in early May by Secretary Robert M. Gates, aimed at encouraging the military and civilian bureaucracy to find \$7 billion to help cover the cost of combat operations. Emanuel said similar programs have also been used successfully by state and local governments.

Gates seems to be something of a budget-cutting inspiration for Obama. ▼

Enhanced Coverage Linking



Less than two weeks ago, the president threatened to veto a defense authorization bill now working its way through Congress unless lawmakers canceled funding to develop an alternative engine for the F-35 warplane, which Gates has deemed unnecessary.

Last month, Obama ▼

Enhanced Coverage Linking



also asked Congress to approve legislation that would give him new powers to slice wasteful programs from spending bills approved by Congress. And in the coming days, administration officials said, they will roll out more initiatives aimed at curbing fraud and saving government cash.

Congressional Democrats are also showing concern about spending. House leaders are discussing a budget plan for next year that would cut deeper than Obama's freeze. And confronted with lawmakers who are queasy about deficit spending, House Appropriations Committee Chairman David R. Obey (D-Wis.) has told House leaders that he hopes to win support for a \$23 billion plan to save public teaching jobs by finding spending cuts to cover its cost.

Republicans dismissed the spurt of presidential activity as vague promises that will have little effect until after the fall elections.

"If they want to have their agencies root out 5 percent of wasteful spending, that's great. More power to them. But we can start doing things immediately," said Brad Dayspring, a spokesman for House Minority Whip Eric Cantor (R-Va.). Cantor has called on Democrats to help immediately wipe out programs targeted by the public on his YouCut Web site.

Budget analysts were more complimentary. Chris Edwards of the libertarian **Cato Institute** called Obama's

latest proposal "a great idea." Maya MacGuineas of the bipartisan Committee for a Responsible Federal Budget described it as "a trust-building exercise" that could make it easier for voters and lawmakers to digest more dramatic efforts to rebalance the federal budget, such as cutting entitlement benefits or raising taxes.

"If you're trying to tap into public frustration and showing empathy on the deficit, you go after waste," said Robert Bixby, executive director of the nonprofit Concord Coalition. "I think that's what's going on here."