

# Issue Brief

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## Taxpayers Right-to-Know Act Would Ease Completion of an Inventory of Federal Programs

### Introduction

Just how many government programs are there? A 2010 law required the Office of Management and Budget (OMB) in the White House to publish an inventory of federal programs, but almost a decade later, we still do not have a definitive answer of how many there are. The answer is important because a comprehensive inventory would help to identify duplicative spending throughout the \$4.6 trillion budget and provide a basis for conducting regular reviews of program effectiveness.

Moreover, taxpayers have a fundamental right to know how their tax dollars are being spent. Hence, a bipartisan group of Senators have reintroduced the Taxpayers Right-to-Know Act (TRKA) to streamline the process for building an inventory of programs so that the 15 federal departments and dozens of independent agencies and boards can apply a consistent methodology for devising a list of all the programs they administer.

### Key Facts:



A law enacted a decade ago required the executive branch to establish an inventory of federal programs, but due to complications, there is still no comprehensive list.



The Taxpayers Right-to-Know Act would help streamline the process so that federal agencies can apply a consistent methodology to identifying and reporting the programs they manage.



Previous version of the bill received steep cost estimates, but sponsors worked to modify their legislation to address cost concerns, and the new estimate also takes into account recent legislative efforts boosting transparency.

But versions of the bill introduced in previous congresses received steep cost estimates, making what was intended to be a straightforward transparency and good-government measure into something difficult to square with budget math. This illustrates the key role that the Congressional Budget Office (CBO) plays in the policymaking process, as its scores can make or break a bill's legislative prospects. Sponsors worked to modify their legislation to address cost concerns, resulting in a significantly lower score that is likely to cause less heartburn for a Congress facing mountains of red ink. The new lower score also takes into account recent legislative efforts boosting transparency.

## **A Comprehensive Inventory of Federal Programs Remains Elusive**

As NTUF noted in a previous policy paper, the longest war the country has been involved in is the seemingly [never-ending war on waste](#). Legislative reforms over the past several decades have focused on improving accountability and transparency that have led to gradual progress, yet the goal of producing a comprehensive list of federal programs remains elusive.

The mandate was enacted in the GPRA Modernization of Act of 2010 (GPRAMA), which built on the Government Performance and Results Act of 1993 that required agencies, in consultation with Congress, to produce strategic plans and improve performance management. The GPRAMA [requires](#) quarterly reporting and reviews and also sought to boost transparency of federal programs with an inventory. The Act also tasked OMB to create a single website by October 1, 2012 that would include information about each program identified by agencies, along with their performance goals and results, and the funding for the current and previous two fiscal years.

The Obama administration did publish a list of federal programs in 2013. A record of what was produced is available on an [archived website](#). The page lists PDF files for all the departments and a few of the major independent agencies. Each PDF lists the major programs and includes three years of budget data for each program, and a brief paragraph and bullet points about what the program does. The page also included links to the budget website of each of the departments. These include the budget requests and justification reports that each agency prepares as part of the annual budget process.

However, this was more of a rough draft as it was only a partial listing of agency programs and activities. For example, the [inventory](#) listed for the Department of Agriculture (USDA) includes its Foreign Agricultural Service, but does not specifically denote programs administered by that agency, such as Trade Promotion or Capacity Building / Food Security that were included as line items in the USDA's FY 2014 [Budget Summary and Annual Performance Plan](#).

One problem in devising a master list is defining exactly what a program is, as the definition of a program was not consistent across agencies or even within an agency. Further, OMB was leaving such determinations up to agency discretion, inviting further confusion. A [2016 OMB Circular](#) defined a program this way:

Generally, an organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities. Within this broad definition, agencies and their stakeholders currently use the term "program" in different ways. Agencies have widely varying missions and achieve these missions through different programmatic approaches, so differences in the use of the term "program" are legitimate and meaningful. For this reason, OMB does not prescribe a superseding definition of "program"; rather, consistent with the GPRA Modernization Act, agencies may identify programs consistent with the manner in which the agency uses programs to interact with key stakeholders and to execute its mission.

To this day there is still no single master list of all federal programs, and the inconsistent definition of a program remains an obstacle to producing a comprehensive inventory. In a December 2019 [report](#), GAO found that:

Agencies continue to struggle with challenges defining their programs. Officials from three of the five selected agencies we spoke with told us that they have not yet identified all of their programs and projects.

## **Taxpayers Right-to-Know**

A bipartisan bill in the Senate is intended to help clear these roadblocks. Senators James Lankford (R-OK) and Maggie Hassan (D-NH), along with nine cosponsors, introduced [S. 2177](#), the Taxpayers Right-to-Know Act. The bill starts by clarifying the definition of a program so that there will be consistency throughout federal agencies. The bill would establish a unified definition of a program as “a single program activity or an organized set of aggregated, disaggregated, or consolidated program activities by 1 or more agencies directed toward a common purpose or goal.”

The bill also adds reporting requirements for each program to include basic budgetary information such as appropriation amounts and obligations, in addition to the three years of outlay data called for by GPRAMA. Additionally, it requires the agencies to include links to “any evaluations, assessments, or performance reviews conducted by the GAO, an inspector general, or the agency on the programs,” as well as a link to the authorization statute establishing the program and any major regulations specific to the program activity. Programs that provide assistance would be required to include information on the populations served and, “to the extent practicable,” the percentage of the program’s funding spent on management and administration. There is also flexibility for the Director of OMB to include any additional information that is deemed necessary to increase transparency or accountability.

OMB would start implementing it as a pilot program but would need to complete the inventory within three years of enactment. This deadline could be extended by no more than one year if justified by a cost analysis of the implementation.

## **The CBO Score of Taxpayers Right-to-Know**

The Congressional Budget Office estimated that OMB would spend \$2 million over the first three years to develop the pilot program and administrative expenses to create a website with the required information would cost at least [\\$8 million](#) over the following two years. This score, which could easily be offset with a number of budget options, is significantly lower than scores received by earlier versions of the bill.

In 2012, an earlier version of the TRKA, introduced as H.R. 3609 by then-Representative Lankford, was estimated by CBO to cost [\\$100 million](#) over the first five years because it would “add significant new reporting requirements for agencies” managing federal programs that were not at the time among the 2,200 projects and services included in the Catalog of Federal Domestic Assistance.<sup>1</sup>

On the one hand, the high cost estimate is conceivable given the vastness of the federal bureaucracy. Producing any kind of comprehensive information on a government-wide basis carries with it significant challenges that would require staff time to address. But on the other hand, a lot of the information TRKA asks for is already available in various reports and documents produced by departments and

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<sup>1</sup> The Catalog of Federal Domestic Assistance, formerly available at [cfda.gov](#), has been consolidated along with other federal grant and contract databases to [beta.sam.gov](#).

agencies each year, such as their detailed budget justifications. Agencies should have much of the required information at hand, reducing the burden associated with disclosing it.

The lower score for the current version of the bill reflects a combination of changes to the legislative language, such as devising the inventory as a pilot program and adding a qualifier, “to the extent practical”, that takes into account the potential costs of the additional reporting requirements. In discussions with CBO staff, NTUF learned that these changes had a significant impact on the bottom-line budget score for the legislation.

The revised score also recognizes the recent progress and legislative changes providing for programmatic and spending transparency. In 2014, Congress enacted the Digital Accountability and Transparency Act of 2014 (DATA Act) to provide for uniformity of data reporting across federal agencies, improving on previous legislation that created USASpending.gov, which shows how contracts and grant awards are being spent. Prior to passage of the DATA Act, CBO estimated that its collection and reporting requirements would cost [\\$285 million](#) over five years.

In all, these changes to the bill text and to the underlying legislative environment yielded a much smaller budget score for TRKA. While they are relatively modest changes overall, they illustrate just how impactful even small differences can be when submitting a bill to the scrutiny of CBO.

## Conclusion

It’s a no-brainer that taxpayers deserve to know how their dollars are being spent. There are some costs involved in continuing to boost transparency, but these could readily be offset with programmatic reforms. The development of a comprehensive inventory would also help to identify and root out duplicative programs, and also provide a base for conducting a comprehensive review of the effectiveness of federal programs so that lawmakers could determine which programs are working and which aren’t, and root out waste. Congress should also consider requesting that either the CBO or the Government Accountability Office conduct a full accounting of how much the federal government spends on financial control efforts as a way to shed additional light on management (or lack thereof) of taxpayer dollars.

## About the Author

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