

Issue Brief

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Eliminating Direct Federal Funding for Think Tanks Would Save Taxpayers Millions

Introduction

There are upwards of 1,800 think tanks — a term used to describe public policy research organizations— in the United States, of which 400 are in Washington, D.C. But only a few appear as line-items in the federal budget to receive direct funding from American taxpayers. Three of these — the Woodrow Wilson International Center for Scholars, the U.S. Institute of Peace, and the East-West Center — cost taxpayers \$76 million per year. While more policy research is a welcome addition to the marketplace of ideas, there is simply no reason these institutions shouldn't be required to raise their own funds rather than rely on scarce taxpayer dollars.

Think Tanks, Policy Analysis, and Federal Funding

Broadly defined, think tanks are organizations that provide public policy-oriented research and analysis to inform

Key Facts:



There are around 1,800 think tanks in the U.S. that provide public policy-oriented research and analysis for law-makers and the public.



Only a handful of these institutions receive direct appropriations in the federal budget costing taxpayers \$76 million per year.



The work of these groups is arguably duplicative of other private organizations or federal agencies and there is no reason why they should not be required to raise their own funds, especially given the massive scale of the federal deficit.

lawmakers and the general public. Some are affiliated with universities, like the Hoover Institution is with Stanford University in California. Many, like NTU Foundation, are independent institutions funded by private foundations or individual donors.

In addition to private and semi-private organizations, there are also governmental policy research entities that provide analysis directly to legislators or executive branch agencies. Perhaps the most notable is the Congressional Research Service (CRS) within the Library of Congress. Funded at [\\$129 million](#) this year, CRS “assists all Members and committees of Congress with its deliberations and legislative decisions by providing objective, authoritative, non-partisan, and confidential research and analysis.”¹

The research is provided exclusively to members of Congress. Although some of the thousands of annual CRS reports have been made publicly available for free over the years by Members of Congress, most were only accessible for a fee from third-party sources. In 2018, Congress enacted a law for these taxpayer-funded reports to be published online, an important move toward transparency and accountability that was supported by a broad range of groups on the political left and right, including NTU Foundation and our sister organization NTU.

Important independent, nonpartisan analysis is also provided to Congress, executive agencies, and the public by the Government Accountability Office (GAO). It was founded in 1921 as the General Accounting Office to help with the oversight of financial management. The name was changed in 2004 to reflect the broad nature of its work involved with not just audits of agency accounts but also evaluations of programs with recommendations to improve operations and save taxpayer dollars, and [identifying fragmentation, overlay and duplication](#) across the massive federal bureaucracy.² Congress appropriated [\\$630 million](#) to GAO for FY 2020.

Additionally, the Congressional Budget Office (CBO), funded at \$55 million this year, plays a significant role in the policymaking process through its cost estimates and analyses. Members of Congress frequently seek off the record guidance from CBO while they are in the process of drafting legislation. CBO also publishes analytical reports on a broad range of policy areas such as the [impact of terrorism risk insurance](#) on the budget or the potential costs of the new [Space Force](#).³ Although CBO does not make policy recommendations, it publishes a biennial list of [Budget Options](#) that Congress could consider to reduce the deficit.⁴

While CRS, GAO, CBO are among of the largest federal analytical research entities, different agencies and departments also have offices that conduct policy research and analysis, such as the Federal Judiciary Center. Established in 1976, the [FJC](#) “is charged with the responsibility for furthering the development and adoption of improved judicial administration in the courts of the United States.”⁵ Congress authorized \$31 million for the FJC in 2020. Another example is the Department of Housing and Urban Development’s Office of Policy Development and Research. Funded at \$85 million, the Office conducts “programs of research, studies, testing, and demonstrations” related to the Department’s mission.

¹ Office of Management and Budget, *Appendix, Budget of the United States Government, Fiscal Year 2021*, 2000. https://www.whitehouse.gov/wp-content/uploads/2020/02/oia_fy21.pdf.

² Government Accountability Office, *2020 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits*, May 19, 2020. <https://www.gao.gov/products/GAO-20-440SP>.

³ Congressional Budget Office, *Federal Reinsurance for Terrorism Risk and Its Effects on the Budget: Working Paper 2020-04*, June 26, 2020, <https://www.cbo.gov/publication/56420>, and *The Personnel Requirements and Costs of New Military Space Organizations*, May 8, 2019. <https://www.cbo.gov/publication/55178>.

⁴ Congressional Budget Office, *Major Recurring Reports: Budget Options*. <https://www.cbo.gov/about/products/major-recurring-reports#4>.

⁵ Federal Judiciary Center, “About the FJC,” <https://www.fjc.gov/about>.

Taxpayer dollars also go to fund research at other well-known entities like the RAND Corporation. Though largely funded by taxpayer dollars, these organizations are operated independently of the federal government and perform research pursuant to grant and contract submissions that must go through a regular review process. There are only a handful of quasi-governmental think tanks that receive direct appropriations.

Woodrow Wilson International Center for Scholars

In 1968, the Woodrow Wilson International Center for Scholars was chartered by Congress within the Smithsonian Institution “as a living memorial” to President Woodrow Wilson. According to the [federal budget](#), the Center “works to achieve its mission by serving as a non-partisan policy forum, conducting independent research, and providing open dialogue to inform the policy community.”⁶ Budget [data](#) shows that it has received nearly \$300 million in taxpayer funding since 1976.⁷

President Trump’s [first budget request](#) proposed to phase out federal support for the Center, noting that taxpayer funding constituted a third of its budget.⁸ Private donations comprised the remainder of its funding. However, Taxpayers now support [roughly half](#) of its total budget as Congress has increased authorizations to the Center from \$11 million in 2017 to \$14 million in FY 2020.⁹ This is not a surprise, as it retains close connections with Congress: its current President and CEO is former Representative Jane Harman (D-CA) and the Wilson Center honors Representatives and Senators with [awards for public service](#) and [receptions](#).¹⁰

The President’s budget for FY 2021 again [proposes](#) to phase out the Center’s federal funding by first reducing outlays to just over \$8 million, noting, “elimination of the Center’s federal appropriation would result in the Center relying on contracts and grants from public and non-public sources to support its continued operations, just like the roughly 400 other think tanks which operate in Washington, D.C.”¹¹

Eliminating direct appropriations to the Woodrow Wilson International Center for Scholars would save taxpayers \$14 million per year.

U.S. Institute of Peace

Congress established the U.S. Institute of Peace as an independent agency as part of the National Defense Authorization Act of 1985. According to its [website](#), the Institute “combines research, analysis and field experience to strengthen the capacity of policymakers and other professionals to respond on some of the most critical global challenges of the 21st Century.”¹²

⁶ Office of Management and Budget, *Appendix, Budget of the United States Government, Fiscal Year 2021*, 2000. https://www.whitehouse.gov/wp-content/uploads/2020/02/oia_fy21.pdf.

⁷ Office of Management and Budget, “Public Budget Database: Outlays (XLSX),” 2000. <https://www.whitehouse.gov/omb/supplemental-materials/>.

⁸ Office of Management and Budget, *Major Savings and Reforms, Budget of the U.S. Government, Fiscal Year 2018*, 2017. <https://www.govinfo.gov/content/pkg/BUDGET-2018-MSV/pdf/BUDGET-2018-MSV.pdf>.

⁹ Office of Management and Budget, *Major Savings and Reforms, Budget of the U.S. Government, Fiscal Year 2021*, 2020. https://www.whitehouse.gov/wp-content/uploads/2020/02/msar_fy21.pdf.

¹⁰ Woodrow Wilson International Center for Scholars, “2020 Woodrow Wilson Awards Dinner,” 2020. Accessed August 12, 2020 at <https://www.wilsoncenter.org/dcawards2020>.

Woodrow Wilson International Center for Scholars, “Woodrow Wilson Awards Dinner,” 2017. <https://www.wilsoncenter.org/woodrow-wilson-awards-dinner>.

Woodrow Wilson International Center for Scholars, “A Reception in Honor of Representative Charles Rangel,” 2016. <https://www.wilsoncenter.org/event/reception-honor-representative-charles-rangel>.

¹¹ Office of Management and Budget, *Major Savings and Reforms, Budget of the U.S. Government, Fiscal Year 2021*, 2020. https://www.whitehouse.gov/wp-content/uploads/2020/02/msar_fy21.pdf.

¹² U.S. Institute of Peace, “Issue Areas.” Accessed August 12, 2020 at <https://www.usip.org/issue-areas>.

Initially funded at \$4 million, its budget has swelled ten-fold to \$45 million in 2020. In total, the Institute has received over \$860 million in taxpayer support. Its budget authorizations expired [after 2014](#) but the Institute still receives funding, as do many other [unauthorized programs](#).¹³

In 2011, a bipartisan amendment was approved in a 268 to 163 vote to defund the agency. One of the amendment's co-sponsors, Representative Chip Cravaack (R-MN), [called](#) the Institute “redundant” and added, “Washington has been spending beyond its means for years. We must look for places to make cuts so we are not piling mountains of debt on future generations.”¹⁴ Despite this bipartisan vote, taxpayer funding for the Institute was later restored in the final continuing appropriations bill enacted that year.

The Institute's activities are arguably duplicative of policy planning agencies within the Departments of State and Defense, the Army's Peacekeeping & Stability Operations Institute at the United States Army War College, and of nongovernmental organizations such as the Carnegie Endowment for International Peace.

The President's budget for FY 2021 proposes to reduce funding for the agency to \$16 million to focus on core operations, saving \$29 million.

Eliminating direct appropriations to the U.S. Institute of Peace would save taxpayers \$45 million per year.

East-West Center

The East-West Center (EWC) was established at the University of Hawaii by Congress to promote “better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue.” In the 2014 edition of its *Pig Book*, Citizens Against Government Waste [wrote](#) that the EWC “was established by Congress in 1960 with no congressional hearings, and over the State Department's opposition.”¹⁵ Budget data show that it has received a total of \$871 million since 1962.

In his first budget submission, President Obama proposed to reduce funding to the EWC from \$21 million in FY 2009 to \$12 million. The Obama Administration's [Terminations, Reductions, and Savings](#) budget document noted that although the administration supports the mission of the EWC, it sought to reduce funding to encourage “the EWC to pursue increased support from private donors and other governments of the region.”¹⁶ Instead, Congress boosted the EWC by \$2 million for FY 2010. Although the EWC was not listed in Obama's *Terminations, Reductions, and Savings* reports for subsequent years, each of his budgets throughout his term requested to reduce outlays to \$11 million annually.¹⁷

All of President Trump's budgets have proposed to eliminate direct funding for the EWC, noting that the administration, “is seeking to end dedicated funding for organizations that may effectively serve niche missions, but which are not critical to the conduct of U.S. foreign policy and which duplicate the efforts of other federal programs or the non-profit and private sectors. By making this change, EWC ... will be incentivized to compete for federal funding which will improve efficiency while minimizing

¹³ 22 U.S.C. § 56. Accessed August 12, 2020 at <https://uscode.house.gov/view.xhtml?path=/prelim@title22/chapter56&edition=prelim>. Congressional Budget Office, *Expired and Expiring Authorizations of Appropriations: Fiscal Year 2020*, February 2020. <https://www.cbo.gov/system/files/2020-02/56082-CBO-EEAA.pdf>.

¹⁴ Dolan, Eric W., “House votes to cut all funding for US Institute of Peace,” Raw Story, February 17, 2011. <https://www.rawstory.com/2011/02/house-votes-to-cut-all-funding-for-us-institute-of-peace/>.

¹⁵ Citizens Against Government Waste, 2014 *Congressional Pig Book*, 2014. <https://www.cagw.org/reporting/2014-pig-book>.

¹⁶ Office of Management and Budget, *Terminations, Reductions, and Savings, Budget of the U.S. Government, Fiscal Year 2010*. 2009. <https://www.govinfo.gov/content/pkg/BUDGET-2010-TRS/pdf/BUDGET-2010-TRS.pdf>.

¹⁷ Historical budget documents are available online from the U.S. Government Publishing Office at <https://www.govinfo.gov/app/collection/BUDGET/>.

the potential for duplication.”¹⁸ Congress has retained its funding at an average of \$17 million per year over the past five years.

Eliminating direct appropriations to the East-West Center would save \$17 million per year.

Conclusion

Advocates of these programs often argue that their taxpayer funding represents a [miniscule](#) portion of the budget.¹⁹ With deficits and debts at an all-time historic high, the federal budget is on a potentially ruinous path. Every dollar that can be trimmed from the budget would help alleviate the burdens that will eventually be imposed on future taxpayers for today’s deficit spending. That is why two of these proposals were included in NTU Foundation’s joint project with the U.S. Public Interest Research Group Education Fund to reduce budget outlays by more than [\\$790 billion](#).²⁰

Just as the government should not be picking winners and losers among businesses in the free market, it should not be providing special treatment of direct appropriations to well-connected policy organizations. These arrangements are holdovers from the bad old days of congressional earmarks.

There have been attempts over the years to eliminate or at the very least to cut funding to these quasi-governmental organizations, but, proving President Reagan’s maxim that “nothing lasts longer than a temporary government program,” Congress has repeatedly protected them. Like most think tanks across the country, they should rely on private support for their work.

About the Author

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¹⁸ Office of Management and Budget, *Major Savings and Reforms, Budget of the U.S. Government, Fiscal Year 2021*, 2020. https://www.whitehouse.gov/wp-content/uploads/2020/02/msar_fy21.pdf.

¹⁹ Zinni, Anthony C., “Peace-Building That Pays Off,” *The New York Times*, March 7, 2011. <https://www.nytimes.com/2011/03/08/opinion/08zinni.html>.

²⁰ Brady, Demian and Cross, R.J., *Toward Common Ground 2020: Bridging the Political Divide with Deficit Reduction Recommendations for Congress*, National Taxpayers Union Foundation and U.S. PIRG Education Fund. April 23, 2020. <https://www.ntu.org/publications/page/toward-common-ground-bridging-the-political-divide-with-deficit-reduction-recommendations-for-congress>.



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