

Merrill Lynch: US in Line for Another Downgrade

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The United States will likely suffer the loss of its triple-A credit rating from another major rating agency by the end of this year due to concerns over the deficit, Bank of America Merrill Lynch forecasts.

The trigger would be a likely failure by Congress to agree on a credible long-term plan to cut the U.S. deficit, the bank said in a research note published on Friday.

A second downgrade — either from Moody's or Fitch — would follow Standard & Poor's downgrade in August on concerns about the government's budget deficit and rising debt burden. A second loss of the country's top credit rating would be an additional blow to the sluggish U.S. economy, Merrill said.

"The credit rating agencies have strongly suggested that further rating cuts are likely if Congress does not come up with a credible long-run plan" to cut the deficit, Merrill's North American economist, Ethan Harris, wrote in the report.

"Hence, we expect at least one credit downgrade in late November or early December when the super committee crashes," he added.

The bipartisan congressional committee formed to address the deficit — known as the "super committee" — needs to break an impasse between Republicans and Democrats in order to reach a deal to reduce the U.S. deficit by at least \$1.2 trillion by Nov. 23.

If a majority of the 12-member committee fails to agree on a plan, \$1.2 trillion in automatic spending cuts will be triggered, beginning in 2013.

Those automatic cuts, mostly in discretionary spending, would weigh further on a fragile U.S. economy, Merrill said. In the same report, the bank reduced its 2012 and 2013 growth forecasts for the United States to 1.8 percent and 1.4 percent, respectively.

If there were a downgrade, it was not clear which ratings agency would move first.

Moody's Investors Service, which has a negative outlook on the United States's Aaa rating, said it is looking at several other factors, including the results of presidential elections and the expiration of the Bush-era tax cuts late in 2012, to decide on the rating.

"It's not that we're waiting just for this committee to decide on the rating," Steven Hess, Moody's lead analyst for the United States, told Reuters in an interview last week.

Failure by the committee to come up with an agreement, he said, "would be negative information but it is not decisive in our view about the rating."

To be sure, Hess did not rule out the possibility of an early move on U.S. ratings if the country's economy slips into recession. So far, however, the economic performance "is certainly not super positive but not a disaster either," he said.

Fitch Ratings, on the other hand, still has a stable outlook on its AAA rating on the United States, meaning it is more likely to revise that outlook to negative before actually downgrading the rating.

In its latest report on the United States, Fitch says a "negative rating action," which could be only an outlook revision, could result from a weaker-than-expected economic recovery or by failure by the bipartisan committee to reach agreement on at least \$1.2 billion in deficit-reduction measures.

The Washington Post

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Harrisburg, Pennsylvania's capital, files for bankruptcy

**By Michael A. Fletcher, Published:
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The city of Harrisburg, Pa., filed for bankruptcy protection Wednesday, which supporters characterized as the only alternative to a state takeover that would force the city to use its most lucrative assets to pay off Wall Street creditors.

The bankruptcy filing was a hotly contested and emotional issue in Pennsylvania's capital city. It was strongly opposed by Mayor Linda D. Thompson (D), who has said that bankruptcy would leave an embarrassing mark on the city of 49,000 while crippling its future ability to borrow for municipal projects.

Thompson refused to sign the filing and then called the bankruptcy illegal after the papers were signed by a member of the City Council.

Harrisburg's bankruptcy filing comes as a growing number of municipalities across the country are struggling with mounting debt and a decline in revenue in the recession's aftermath.

Just last month, Alabama's Jefferson County narrowly avoided being dragged into bankruptcy from a failed sewer financing deal, although a final resolution has yet to be reached. Earlier this year, the tiny city of Central Falls, R.I., went into bankruptcy, clearing the way for deep cuts in the pensions of retired city police officers and firefighters.

If Harrisburg's bankruptcy filing stands, it would mark the largest municipal filing since Vallejo, Calif., did so in 2008. For years, Harrisburg has been struggling under a heavy debt burden, more than \$300 million of which is connected to an incinerator project that turned into a financial debacle.

The city had suspended payment on the incinerator loans, but almost a quarter of its budget still goes to an assortment of debt payments, crowding out funding for basic city services.

Before voting to file for bankruptcy, a narrow majority of the City Council had voted twice to reject a state takeover plan. The council members said the plan would have brought only temporary debt relief while sparing creditors and forfeiting the city's fiscal future.

“We would have to sell our revenue-generating assets — parking garages and meters — to pay off our creditors, who we believe have not made a significant contribution to a global solution,” said Brad Koplinski, the council member who introduced the bankruptcy measure.

Without those revenue sources, he added, “we would be structurally bankrupt and have to file for bankruptcy in three to five years anyway.”

The mayor called on the council to rescind its action and added that she would continue working to implement a plan to lease the city's parking garages and meters and restructure its debt outside of bankruptcy.

Although more cities and towns have been feeling fiscal stress in recent years, municipal bankruptcies occur infrequently.

Since 1980, fewer than 300 of the nation's 19,000 municipal entities have filed for bankruptcy, experts said. The vast majority were small: special districts and other entities, such as housing development projects, that were unable to raise taxes on their own, according to James E. Spiotto, a Chicago lawyer who specializes in public finance.

But some analysts say that more bankruptcies could be on the horizon, making it far more expensive for local governments to borrow municipal bonds to finance roads, bridges, senior citizen homes, schools, mass transit lines and playgrounds.

In the past, the bond market's importance motivated local officials to do all they could — including raising taxes and cutting services and personnel — to make payments. If cities miss payments or show severe fiscal stress, their bond ratings are cut, significantly increasing borrowing costs and making it more difficult to balance their books.

Even when municipalities file for bankruptcy, bondholders frequently get paid in full, experts say, further discouraging filings.

But with taxpayers and politicians showing greater antipathy to Wall Street financiers, the dynamic might be slowly shifting.

“I am glad to see we are going to start using the leverage of bankruptcy to get a solution that works for the residents of Harrisburg,” said Dan Miller, the city's comptroller who has long advocated for bankruptcy. “It can't be any worse than selling all our revenue-generating assets.”

Similarly, Koplinski brushed aside concerns that the bankruptcy filing would permanently damage Harrisburg's ability to access financial markets to fund projects. The city is so deep in debt that it should not do any borrowing for the foreseeable future, he said.

In addition, Koplinski said, “as long as there are projects to create and bonds issues to offer, there will always be money managers and lawyers to come collect and put those deals together. If there is money to be made in Harrisburg, they are going to be back.”

Top Income in U.S. Is...Gasp!...Wash. D.C. Area

Federal employees whose compensation averages more than \$126,000 and the nation's greatest concentration of lawyers helped Washington edge out San Jose as the wealthiest U.S. metropolitan area, government data show.

The U.S. capital has swapped top spots with Silicon Valley, according to recent Census Bureau figures, with the typical household in the Washington metro area earning \$84,523 last year. The national median income for 2010 was \$50,046.

The figures demonstrate how the nation's political and financial classes are prospering as the economy struggles with unemployment above 9 percent and thousands of Americans protest in the streets against income disparity, said Kevin Zeese, director of Prosperity Agenda, a Baltimore-based advocacy group trying to narrow the divide between rich and poor.

"There's a gap that's isolating Washington from the reality of the rest of the country," Zeese said. "They just get more and more out of touch."

Total compensation for federal workers, including health care and other benefits, last year averaged \$126,369, compared with \$122,697 in 2009, according to Bloomberg News calculations of Commerce Department data. There were 170,467 federal employees in the District of Columbia as of June. The Washington area includes the District of Columbia, parts of Northern Virginia, eastern Maryland and eastern West Virginia.

Embracing K Street

In recent years Washington has attracted more lobbyists and firms with an interest in the health-care overhaul and financial regulations signed into law by President Barack Obama, according to local business leaders.

"Wall Street has moved to K Street," said Barbara Lang, president and chief executive officer of the DC Chamber of Commerce, referring to the Washington street that's home to prominent lobbying firms. "Those two industries clearly have grown in our city."

Still, household income fell even in Washington by 0.8 percent last year from \$85,168. In the San Jose area, home to Cupertino-based Apple Inc. (AAPL) and Cisco Systems Inc. (CSCO) in San Jose, income dropped to \$83,944 from \$84,483 in 2009.

Median income in both metro areas has been falling since 2008, when it reached a record in each place. The 4.7 percent drop in Silicon Valley during that period was three times larger than the Washington region's 1.5 percent fall.

'Shallower Recession'

The flow of federal dollars in and around the nation's capital helped the region weather the economic slump better than most areas and is contributing to its recovery.

The unemployment rate in the Washington metro area in August was 6.1 percent, compared with 10 percent in San Jose, according to Labor Department figures. Nationally, joblessness was 9.1 percent in September for a third straight month.

"The region did experience a shorter, shallower recession than San Jose," said Sara Kline, a Washington analyst at Moody's Analytics Inc. in West Chester, Pennsylvania. "The federal government stepped in to take efforts to dampen the recession. It was focused to some extent in the D.C. area as well, given the presence of federal workers there and contractors. That insulated it from more of a downturn."

Federal government spending for programs excluding Social Security and Medicare in fiscal year 2011, which ended on Sept. 30, rose to \$2.38 trillion from \$2.3 trillion the previous year.

Lawyer Capital

Last year Washington also had the most lawyers per capita in the U.S. compared with the 50 states, with one for every 12 city residents, according to figures from the American Bar Association and the Census Bureau. In New York State the figure was one out of every 123 residents, while in California the ratio was one in 243.

Associate attorneys in the Washington area who have worked between one and eight years had a median salary of \$186,250, compared with the national median for their peers of \$123,521, according to a survey by the Washington-based National Association for Law Placement.

Lobbyists play a prominent role in the Washington economy. In 2010 there were 12,964 registered lobbyists, with most working in or around the nation's capital, according to figures compiled by the Center for Responsive Politics, a Washington-based research group that tracks political spending. Spending on lobbying efforts reached a record \$3.51 billion last year, up from \$3.49 billion in 2009.

Contractor Central

The Washington suburbs are also home to government contractors such as Bethesda, Maryland-based Lockheed Martin Corp. (LMT), the world's largest defense company,

and General Dynamics Corp. (GD), the Falls Church, Virginia-based maker of Abrams tanks and Gulfstream business jets.

With about 5.6 million residents, the Washington region has an aggregate household income of about \$221.4 billion. The San Jose area has about 1.8 million people and income of \$67 billion, according to census figures gathered from the American Community Survey. The annual survey polls about 3 million American households to provide annual economic, demographic, social and housing characteristics for the nation.

The Brownsville-Harlingen metro area in southeast Texas along the border with Mexico had the lowest median household income last year at \$31,736.

Such income inequality is on display in Washington as well. In the District of Columbia, almost 11 percent of the city's population qualifies as "very poor," meaning they make less than half the poverty rate, or about \$11,025 a year for a family of four and \$5,415 for a single person. The same figure for San Jose is about 6 percent, according to census figures.

"Even though we've got this very healthy group of government employees and contractors, there's still a lot of people left behind," said Douglas Besharoy, a professor at the University of Maryland's School of Public Policy.

Lawmakers propose sharp cuts in federal pay, benefits

By FEDERAL TIMES STAFF | Last Updated: October 17, 2011

Top members of the Senate and House government oversight committees are calling for an extension of federal employees' two-year pay freeze and other steep cuts to federal pay and benefits.

The freeze, now covering 2011 and 2012, should run for another year, Sens. Joe Lieberman, I-Conn., and Susan Collins, R-Maine, said in a letter to the congressional supercommittee charged with finding ways to reduce the federal budget deficit.

Similarly, the chairman of the House Oversight and Government Reform Committee, Rep. Darrell Issa, R-Calif., and other Republican members on the panel called on the supercommittee to extend the federal pay freeze through 2015. They also called on the supercommittee to permanently end "non-performance-based" step increases.

Federal employees, including members of Congress and their staffs, "must sacrifice as part of an urgent need to curtail the cost of the federal government and reduce the national debt," Lieberman and Collins wrote in a letter to the supercommittee outlining their proposed spending cuts. A one-year extension would save an estimated \$32 billion, they added, but they did not say over what period those expected savings would occur.

Lieberman chairs the Senate Homeland Security and Governmental Affairs Committee; Collins is the committee's top Republican.

Lieberman and Collins also recommended:

- Phasing in a 1.2 percent increase over three years to the amount Federal Employees Retirement System participants contribute to their pension plans. That change would eventually bring their total contribution to 2 percent of salary. President Obama proposed the same thing in his recommendations to the supercommittee. But the senators added that the proposal should cover legislative and judicial branch employees, not just the executive branch workforce.
- A halt to allowing FERS participants to count unused sick leave toward their retirement. That would save \$561 million over 10 years, they said.
- Moving to a "high-five" retirement calculation system. Currently, employee pensions are calculated by using on the three highest-earning years. Transitioning to a high-five system should be structured to limit the impact on workers already near retirement, they cautioned. If that isn't done, the result could be a wave of retirements as employees rush to get out before change takes effect.

In a letter, Issa and other Republicans on the House Oversight and Government Committee recommended that the supercommittee:

- Boost the pension contribution that FERS employees pay from the current rate of 0.8 percent to 7 percent. Participants in the Civil Service Retirement System should increase their contribution from 7 percent to 10 percent, they urged.
- Shift federal employees to a high-five pension calculation.
- Eliminate the FERS defined benefit pension plan for new hires and replace it with a "defined contribution" option that would supplement the Thrift Savings Plan once recipients reach Social Security age.
- Trim the federal workforce 10 percent by hiring only one new employee for every three who leave.

At a minimum, the cumulative 10-year savings would be \$375 billion, Issa said.

Officially known as the Joint Select Committee on Deficit Reduction, the 12-member bipartisan supercommittee is supposed to deliver a roadmap by Nov. 23 on how to reduce expected federal deficits by at least \$1.2 trillion during the next decade. The full Congress must approve those recommendations by Christmas, or else automatic spending cuts will begin to take effect in early 2013, under the debt ceiling law signed in August.

The Lieberman-Collins proposals drew a biting response from John Gage, president of the American Federation of Government Employees, who said in a news release that more should be asked of government contractors.

"Federal employees have sacrificed more than any other group, giving up two years of pay increases to help lower the country's deficit," Gage said. "It's time to pass the hat and ask others to pay their fair share."

Contractors can currently charge the government almost \$694,000 a year for salary and other compensation for their five highest-paid executives, but more for staff below that level. Lieberman and Collins want to expand the existing cap to cover other contractor employees; the Obama administration is seeking to limit contractor executive pay to Level I of the federal executive schedule, currently \$199,700. AFGE believes that the lower cap should apply to all contract employees, a spokesman said Monday.

That approach was endorsed last week by Democrats on the House Oversight and Government Reform Committee, who said in a report that more cuts to federal employee compensation could hurt recruitment, retention and agency performance.

As Congress' supercommittee members try to fashion a plan for cutting \$1.2 trillion out of the federal deficit, their colleagues are weighing in with dozens of proposals for reforming government and cutting spending.

Reflecting deep partisan divides in the Congress, few of the proposals are bipartisan — most were submitted on Friday by either the top Democrats or top Republicans of each committee. **Proposals** range from cutting the federal fleet by 20 percent to slashing federal employees' travel by 75 percent. Among the recommendations:

Budgeting

From the Senate Budget Committee (bipartisan):

- Move the federal government to biennial budgeting. Under the plan from the committee's chairman, Sen. Kent Conrad, D-N.D., and its top Republican, Sen. Jeff Sessions of Alabama, the president would submit a two-year budget request in odd-numbered years. They also propose to beef up the role of the House and Senate budget committees by having them conduct performance-based reviews of federal programs, accompanied by recommendations for underperformers.

Contracting

From House Oversight and Government Reform Committee (Democratic):

- Adopt HR 2980, introduced by Rep. Paul Tonko, D-N.Y., which limits federal compensation reimbursement for all contractor employees to \$200,000 per year.

From House Small Business Committee (Democratic):

- Include overseas contracts in the government's small business contracting goal to incentivize agencies to use small firms.

From House Transportation Committee (Democratic):

- Rescind \$154.9 million in excess contract authority given to the National Highway Traffic Safety Administration, the Federal Transit Administration and the Federal Highway Administration in fiscal 2010, 2011 and 2012.

From Senate Homeland Security and Governmental Affairs (joint recommendations):

- Support an Office of Management Budget directive to agencies to cut management support service contracts by 15 percent in fiscal 2012, for a \$6 billion savings.

From Senate Small Business and Entrepreneurship Committee (Republican):

- Eliminate the IRS's 3 percent withholding mandate on federal contracts, which has been delayed until 2014 for all contracts.

From Senate Homeland Security and Governmental Affairs subcommittee on oversight of government management, the federal workforce and the District of Columbia (Republican):

- Cut the federal contracting workforce by 15 percent, for a savings of \$233 billion over 10 years.
- Require governmentwide use of the Treasury Department's electronic invoicing system, the Internet Payment Platform, for an estimated \$450 million a year.
- End the use of noncompetitive, sole-source contracts, which have been shown to produce subpar or nonfunctional products. The move from these contracts is estimated to save \$2 billion over 10 years.

Energy

From House Transportation and Infrastructure Committee (Democratic):

- Make federal buildings more energy and water efficient, saving \$410 million over 10 years.

Fleet management

From Sen. Ron Johnson, R-Wis., subcommittee on oversight of government management, the federal workforce, and the District of Columbia:

- Cut federal vehicle fleet by 20 percent, saving \$5.6 billion over 10 years.
- Cut number of limousines owned by the government, saving \$115 million over 10 years.

Grants management

From House Financial Services Committee (Republican):

- Eliminate seven housing assistance, redevelopment and refinancing programs administered by the Housing and Urban Development Department and rescind unobligated funds from four other housing programs.

From Senate Finance Committee (Republican):

- Combine the Social Services Block Grant, the Child Care and Development Fund and the Temporary Assistance for Needy Families public assistance programs into one funding stream for states, the Social Services Fund, and establish goals for states to report how the money is being spent.

From Senate Judiciary Committee (Republican):

- Consolidate duplicative grant offices and programs within the Justice Department.
- Eliminate grant programs that continue to receive appropriations but have not been reviewed or reauthorized by the committee.
- Add statutory oversight and accountability requirements to Justice Department grants.

From Senate Small Business and Entrepreneurship Committee (Republican):

- Eliminate Defense Transitional Assistance Grants, which fund small-business technical assistance programs in Base Realignment and Closure committees but are no longer in demand, for an estimated \$2 million in savings each year.
- Eliminate the Small Business Development Center veterans grants, which were intended to help veteran entrepreneurs with technical assistance, for an expected savings of \$1 million a year. That assistance is being provided through a growing number of veterans' business centers nationwide.
- Eliminate the Small Business Development Center's energy assistance grants, which have no performance metrics, for a projected savings of \$1 million a year.

Information technology

From Sen. Tom Carper, D-Del.:

- Require agencies to create IT management and development programs to prevent projects from getting off track.
- Consider freezing additional funding for agencies that fail to submit reviews of their IT projects on the federal IT Dashboard, which tracks major technology investments.
- Require chief information officers to review investments that deviate 20 percent or more from their baseline costs. CIOs would have to report to Congress major challenges and solutions for fixing the problems.

From Sen. Ron Johnson, R-Wis.:

- Save \$200 billion by closing federal data centers. Savings would come from better management of the federal IT workforce and doing more tasks with fewer computers and data centers.
- Save \$4.9 billion by reducing and restricting government printing. Set policies on when printing is appropriate.
- Conduct the 2020 Census survey primarily online and reduce paper handling and workforce costs by \$2 billion.
- Eliminate redundant and poorly managed IT projects at the Interior Department.
- Reduce appropriation for the General Services Administration's Office of Citizen Services and Innovative Technologies and save \$255 million over 10 years.
- Consolidate IT systems at the Treasury Department to eliminate contractor costs, specifically at the Bureau of Public Debt and the Financial Management Services.

- Urge the National Institutes of Health to conduct more online peer review meetings and cut travel costs. Reductions will save \$110 million over 10 years.

Personnel programs

From Senate Homeland Security and Governmental Affairs subcommittee on oversight of government management, the federal workforce, and the District of Columbia (Democratic):

- Spare further cuts to federal pay and benefits.
- Streamline Federal Employees Health Benefits Program prescription drug contracting by having the Office of Personnel Management contract directly with pharmacy benefit managers.
- Allow older employees to "phase" into retirement to address the high cost of dual-compensation waivers, which allow retirees to return to work and earn both their pensions and salaries.

From Senate Homeland Security and Governmental Affairs subcommittee on oversight of government management, the federal workforce, and the District of Columbia (Republican):

- Freeze pay through 2015, which would make the current two-year freeze a five-year freeze.
- Cut workforce by 10 percent through attrition by 2015.
- Require Federal Employees Retirement System (FERS) employees to contribute half the cost of their defined benefit plans, bringing their contribution rate from 0.8 percent to almost 6.4 percent.
- Base pensions on the high-five average of employees' salaries, instead of the current three-year average.
- End the defined benefit pension for new FERS employees.
- Freeze Senior Executive Service (SES) bonus pay for three years.
- Eliminate the "rest of U.S." locality payment.
- Use the so-called chained Consumer Price Index to set cost-of-living adjustments.
- Eliminate the COLA for early Civil Service Retirement System retirees.
- End the special supplement for early FERS retirees.
- End dual-compensation waivers, which allow retirees who come back to work to earn both their pensions and salaries.
- Overhaul federal workers' compensation to encourage recipients to return to work.
- Halt the insourcing of OPM's USAJobs.gov website.
- Freeze lawmakers' pay for three years.
- Cut OPM's spending on work-life balance and telework programs in half.

From House Oversight and Government Reform Committee (Republican):

- Base pensions on the high-five average of employees' salaries, instead of the current three-year average.

- Require FERS employees to contribute 7 percent of their salaries to their pension plans, instead of the current 0.8 percent.
- Require CSRS employees to contribute 10 percent of their salaries to their pension plans, instead of the current 7 percent.
- End the FERS program and its defined benefit pension for new employees. Use part of the savings from reducing the government's share of the FERS contribution to create a defined contribution option to supplement the Thrift Savings Plan. FERS employees with less than five years of service would be transitioned to the defined contribution option, and a proportional FERS benefit would be instituted for those with more than five years of service.
- Cancel the FERS annuity supplement for employees who voluntarily retire before age 62, but keep it for those facing mandatory retirement.
- Cut the workforce by 10 percent by only hiring one new worker for every three who leave.
- Extend the pay freeze through 2015.
- Eliminate step increases worth about 3 percent awarded every one, two or three years to General Schedule employees.

From House Oversight and Government Reform Committee (Democratic):

- Spare further cuts to federal pay and benefits.
- Streamline Federal Employees Health Benefits Program prescription drug contracting by having the Office of Personnel Management contract directly with pharmacy benefit managers.

From House Armed Services Committee (Republican):

- Heed warning that sequestration of funds stemming from the supercommittee's failure would force the Defense Department to furlough large numbers of civilian employees.

From House Foreign Affairs Committee (Republican):

- Cancel further extension of Washington-area locality pay to overseas Foreign Service officers.

Travel

From Sen. Ron Johnson, R-Wis., subcommittee on oversight of government management, the federal workforce, and the District of Columbia:

- Cut civilian agencies' travel budgets by 75 percent and save \$43.3 billion over 10 years.

Real property

From House Homeland Security Committee (Democratic):

- Increase infrastructure investment at land ports of entry along borders.

From House Energy and Natural Resources Committee (Republican):

- Dispose of Agriculture and Interior departments' unneeded real estate and facilities.

- Increase access to federal lands for drilling, mineral and timber rights.

From House Transportation and Infrastructure Committee (Republican):

- Adopt Civilian Property Realignment Act, potentially saving \$15 billion over 3 years.

From House Transportation and Infrastructure Committee (Democratic):

- Reduce size of and spending on future courthouses, to save \$112 million over 10 years.
- Apply less stringent security standards to Defense Department civilian agency leased facilities , instead of DoD's stricter and more costly anti-terrorism guidelines, saving \$180 million over 10 years.
- Streamline Federal Aviation Administration authority to sell excess real property.

From Sen. Ron Johnson, R-Wis., subcommittee on oversight of government management, the federal workforce, and the District of Columbia:

- Eliminate unneeded federal properties, saving \$15 billion over 3 years.
- Freezing the public buildings fund at 2008 levels, cutting it the agency from levels attained during Recovery Act surge, saving \$21.3 billion over 10 years.
- Freeze construction and purchase of new federal buildings for five years, saving \$4.7 billion over 10 years.

Printing

From House Administration Committee (Democratic):

- Require executive branch agencies to review their printing practices, close down unneeded plants and shift work to the Government Printing Office.

Election Assistance Commission

From House Administration Committee (Republican):

- Abolish the Election Assistance Commission, an independent body created by the 2002 Help America Vote Act.

Energy Department

From House Science, Space and Technology Committee (Republican):

- Cut the annual budget of the Energy Department's Office of Energy Efficiency and Renewable Energy from \$1.8 billion to \$1.2 billion.

General Services Administration

From Sen. Ron Johnson, R-Wis., subcommittee on oversight of government management, the federal workforce, and the District of Columbia:

- Cut the General Services Administration's Office of Government-Wide Policy budget by 50 percent, saving \$300 million over 10 years.

Homeland Security Department

From Sen. Ron Johnson, R-Wis., subcommittee on oversight of government management, the federal workforce, and the District of Columbia:

- Consolidate multiple Department of Homeland Security mascots, saving \$2.6 million over 10 years.

Justice Department

From Senate Judiciary Committee (Republican):

- Defund the Justice Department's Office of Legal Policy.
- Consolidate the Justice and FBI offices of professional responsibility with the Justice inspector general's office.
- Defund Justice's DOJ National Drug Intelligence Center.

State Department/USAID

From House Foreign Affairs Committee (Republican):

- Consolidate U.S. Agency for International Development's Office of Budget and Resource Management at the State Department.