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AGENCIES FILES

THE WHITE HOUSE

Office of the Press Secretary

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"Government Reform and Savings Act of 1993"

FACT SHEET

Today the President transmitted to the Congress the "Government Reform and Savings Act of 1993." This legislation is based on the recommendations of the National Performance Review (NPR).

The NPR began on March 3, 1993, when the President asked Vice President Gore to conduct an intensive 6-month review of how the Federal Government works. The Vice President organized a team of experienced Federal employees from all corners of the government to examine both agencies and cross-cutting systems, such as budgeting, financial management, procurement, and personnel.

The report of the NPR -- "Creating a Government That Works Better and Costs Less" -- was presented to the President on September 7, 1993. It includes hundreds of proposals to provide the American people with a more effective, efficient, and responsible government. Some of these proposals require legislation, some can be achieved through administrative action. The Government Reform and Savings Act of 1993 is a major step in implementing those recommendations from the NPR which require action by the Congress.

This legislation affects a number of Federal agencies and includes proposals that seek to: consolidate and streamline agency operations; eliminate unnecessary programs; end unneeded subsidies; improve financial management and debt collection; reduce the burdens resulting from statutory reporting requirements; and improve the dissemination of government information. They were selected from the NPR report with the expectation that they can be considered expeditiously by the Congress.

The savings total for this legislation is $9 billion.

The proposals contained in the Government Reform and Savings Act of 1993 would:

Department of Agriculture

-- Authorize the Secretary to reorganize the Department of Agriculture to better accomplish its mission, streamline its field structure, and improve service to its customers. (Total savings: $1.64 billion)

-- Phase out by December 31, 1995, the Department of Agriculture price support subsidy programs for wool and mohair. (Total savings: $695 million)

-- Phase out by December 31, 1995, the Department of Agriculture price support program for honey. (Total savings: $6.5 million)

Department of Commerce

-- Require the Departments of Commerce and Defense and the National Aeronautics and Space Administration to propose a single operational polar environmental satellite system in order to reduce unnecessary duplication. (Total savings: $300 million)

In addition, the Administration is planning to submit to Congress a revised version of the Export Administration Act (EAA) by Thanksgiving. The revised EAA will reorient the law to reflect post-Cold War security and proliferation threats and propose a streamlined export control process.

Department of Defense

-- Authorize Department of Defense managers and commanders to use for mission purposes and, when applicable, for morale and welfare activities the proceeds from the sale of recyclable materials generated on an installation. (Total savings: $500 million)

-- Require an orderly phase-out and closure of the Uniformed Services University of the Health Sciences beginning in FY 1995 and ending with the closure of the University not later than September 30, 1998. (Total savings: $350 million)

-- Reorganize the U.S. Army Corps of Engineers division and district offices. (Total savings: $105 million)

Department of Energy

-- Authorize the sale of the Alaska Power Marketing Administration. (Total savings: $59.5 million)

-- Allow private sector power generating facilities built at Federal sites to sell power to private as well as Federal customers. (Total savings: $112 million)

-- Allow the Power Marketing Administrations to refinance their subsidized Treasury debt through the private market.

Department of Health and Human Services

-- Provide for increased flexibility and competitiveness in contracts with Medicare intermediaries (entities that process claims under the Hospital Insurance program) and carriers (entities that process claims under the Supplementary Medical Insurance program). (Total savings: $630 million)

-- Authorize the Secretary to initiate pilot projects to study various means for obtaining on a timely and accurate basis workers' compensation benefit information. This information will be used to improve the reporting of workers' compensation payments, thereby helping to ensure that individuals receive the proper level of benefits under the Social Security Disability Insurance program.

-- Expand the Secretary's authority to obtain and disseminate death information for use in administering the Social Security Act and other Federal programs.

-- Set aside a specific minimum level of resources within the Social Security Administration for FYs 1994 through 1999 to be used for the processing of continuing disability reviews. This would help prevent payment of Social Security disability benefits to individuals who are no longer disabled. (Total savings: $485.3 million)

Department of Housing and Urban Development

-- Improve HUD's ability to manage and sell multifamily loans and properties held by the Department. (Total savings: $715 million)

-- Streamline and consolidate HUD's headquarters, regional, and field offices over time. (Total savings: $167 million)

-- Provide incentive payments to homeowners and lending institutions to refinance HUD-subsidized mortgages with high interest rates. (Total savings: $302 million)

-- Reduce excessive rent subsidies by freezing rent increases for 1 year under the Section 8 new construction and substantial rehabilitation programs. (Total savings: $558 million)

-- Improve management efficiency by consolidating two similar programs, the Section 8 Certificate and Voucher programs. Both programs provide rental assistance to needy individuals and families.

Department of the Interior

-- Require the Bureau of Mines to improve the efficiency of the Federal helium program by reducing costs, requiring full compensation to the government for its costs, and encouraging increased sales to the private sector without market disruption. In addition, the Secretary of the Interior is to develop a long-term, comprehensive plan regarding the future of the helium program, which the President may adopt, in whole or in part, including cancellation of the helium debt. (Total savings: $47 million)

-- Require the Minerals Management Service to improve the efficiency of its mineral royalty collection program, including assessing penalties for substantial underpayment of royalties. (Total savings: $28 million)

-- Phase out the Mineral Institutes Program, by fiscal year 1999. Established in the 1970s, the program has accomplished its purpose to provide seed money to encourage the development of mineral-related university research and graduate education programs. (Total savings: $24.5 million)

Department of Justice

-- Authorize the Department of Justice to charge fees to prisoners for health services. (Total savings: $13.8 million)

Department of Labor

-- Amend the Federal Employees' Compensation Act (FECA) to reduce fraud by: (1) making it a felony to lie on benefit applications; (2) making people convicted of defrauding the program ineligible for benefits; (3) denying benefits to incarcerated individuals; and (4) expanding the Department of Labor's capability to eliminate FECA fraud. (Total savings: $22.6 million)

-- Extend and expand reemployment programs for occupationally disabled Federal employees who are injured on the job and increase review of benefit levels and eligibility. (Total savings: $126 million)

-- Authorize the Secretary of Labor to develop an electronic data base to enable Federal contracting agencies to electronically access wage determination information instantly, thereby eliminating procurement delays.

-- Amend the Employee Retirement Income Security Act (ERISA) to eliminate the requirement that employee pension and benefit plan administrators automatically file annual plan descriptions with the Secretary of Labor.

Department of State/U.S. Information Agency

-- Reduce mission operating costs through: (1) reduction of marine guard and other security costs at overseas diplomatic missions; and (2) restructuring USIA public diplomacy activities to improve efficiency. (Total savings: $20.7 million)

Department of Transportation

-- Require the U.S. Merchant Marine Academy to charge tuition to recover a portion of its operating expenses, beginning with the 1995-1996 academic year. The Academy would have discretion to waive this requirement, e.g., to offer scholarships. (Total savings: $36.1 million)

-- Effective in FY 1995, set reasonable criteria for air service to certain communities to qualify for subsidies under the "Essential Air Service program." (Total savings: $70.1 million)

-- Repeal authorizations for certain training or education grant programs of the Federal Aviation Administration. (Total savings: $14.2 million)

Department of Veterans Affairs

-- Remove a number of limitations and restrictions contained in veterans laws, thereby increasing efficiencies and improving service without sacrificing accountability.

-- Phase out and close over 2 years the centralized depot and distribution centers in Somerville, New Jersey; Hines, Illinois; and Bell, California. (Total savings: $79 million)

-- Authorize the disclosure of health insurance information from the Medicare and Medicaid Coverage Data Bank to the Secretary of Veterans Affairs to assist in identifying and collecting reimbursements from third parties responsible for care and services provided to veterans. (Total savings: $420 million)

-- Streamline benefits claims processing by improving and clarifying certain adjudication and appeal procedures.

Human Resource Management

-- Permit Executive branch agencies to pay an incentive of up to $25,000 to employees who retire or resign voluntarily.

-- Remove unnecessary and narrow restrictions on Federal employee training.

-- Cap at 30 days the amount of annual leave that a senior executive can carry forward from year to year. Those executives who have annual leave in excess of the new limit at the end of the 1993 leave year would be allowed to carry that leave forward until it is used or they leave the government.

Reinventing Support Services

-- Improve the dissemination of government information and promote competition for government printing. (Total savings: $30 million)

Streamlining Management Control

-- Authorize the Director of the Office of Management and Budget (OMB) to recommend changes in statutory reporting requirements; the recommendations would take effect if approved by law. (A separate legislative proposal to be transmitted shortly would repeal the legislative authority for certain Executive branch reports that are no longer necessary.)

Improving Financial Management

-- Require that individuals who begin to receive Federal salary or retirement payments after January 1, 1995, be paid through electronic funds transfer (EFT); the requirement will be waived upon written request by an individual. (Total savings: $1.1 million)

-- Authorize Federal agencies to establish "franchise funds," which would encourage agencies to purchase common administrative services on a competitive basis, and "innovation funds," which would allow agencies to invest in projects designed to produce measurable results and significant taxpayer savings.

-- Authorize OMB to recommend the most meaningful timing and formats for general management and financial management reports to OMB and the Congress.

- -- Require the annual preparation of audited financial statements covering all of the offices, bureaus, and activities of each of the Federal Departments and agencies required to have a Chief Financial Officer.

- -- Authorize appropriations equal to 1 percent of all delinquent debt collections and 10 percent of sustained annual increases in collections of delinquent debt for agencies to enhance debt collection activity.

- -- Authorize the Customs Service and the Department of Health and Human Services (HHS) to use private collection agencies to collect debts and to pay fees charged for collection services by private collection agencies from amounts recovered. The authority for HHS would apply only to the debts of individuals no longer on the benefit rolls. (Total savings: $370 million)

- -- Require a 10 percent surcharge to be assessed on all civil money judgments and settlements. These funds are to be used to improve debt collection at the Department of Justice and, at the discretion of the Attorney General, to reimburse other agencies for assistance in debt collection activities. (Total savings: $775 million)

- -- Require adjustment of civil monetary penalties for inflation. After a one-time catch-up adjustment in 1994, adjustments would be made every 4 years. (Total savings: $192 million)

Year-End Spending

- -- Permit agencies to roll over 50 percent of their unobligated year-end balances in annual salaries and expenses accounts to the next fiscal year.

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit today for your immediate consideration and enactment the "Government Reform and Savings Act of 1993". This legislation is based on the recommendations of the National Performance Review (NPR). Also transmitted is a section-by-section analysis.

The goal of the NPR is to provide the American people with a more effective, efficient, and responsive government -- a government that works better and costs less. The NPR began on March 3, 1993, when I asked Vice President Gore to conduct an intensive 6-month review of how the Federal Government works. The Vice President organized a team of experienced Federal employees from all corners of government to examine both agencies and cross-cutting systems, such as budgeting, financial management, procurement, and personnel. He spoke with employees at every major agency and sought the views of hundreds of organizations, business leaders, and State and local officials.

The NPR report presents numerous proposals, some of which require legislation, some of which can be achieved through administrative action. The legislation I am presenting today is a major step in implementing those NPR recommendations that require action by the Congress. I plan to include additional NPR proposals in the Fiscal Year 1995 Budget.

This legislation includes proposals that seek to: consolidate and streamline agency operations; eliminate unnecessary programs; end unneeded subsidies; improve financial management and debt collection; reduce the burdens resulting from statutory reporting requirements; and improve the dissemination of government information. They were selected from the NPR report with the expectation that they can be considered expeditiously by the Congress. It is my hope that these recommendations will be passed by the Congress prior to adjournment this year.

The savings total for the legislation I am submitting today is $9 billion.

To accompany these NPR recommendations, a package of rescissions will be sent to the Congress shortly. The Administration is also working with the appropriate committees of jurisdiction on a major procurement reform measure.

By implementing these recommendations, I believe we can make fundamental changes for the better in the performance of the Federal Government. I pledge to work with the Congress to ensure the prompt enactment of this legislation.

William

THE WHITE HOUSE,

October 26, 1993.