

**MAKE  
GOVERNMENT  
WORK!**



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# WITHOUT TRUST, THERE IS NOTHING

Everyone wants to know why Washington can't solve problems.

The answer is simple, and it is alarming.

Nobody trusts anyone.

The American people don't trust their government. Our elected leaders don't trust one another. And as the old saying goes, "Without trust, there is nothing."

Recent polls reveal that fewer than three in 10 Americans trust government to do the right thing. Meanwhile our Congress is now more politically polarized than at any time in more than 100 years.

At No Labels we believe that rebuilding citizen trust in government, and trust within government, is an essential first step toward tackling our nation's problems.

That's why No Labels began organizing a group of congressional Problem Solvers – which features Democratic and Republican House and Senate members who are meeting regularly to build trust across the aisle. There are 70 Problem Solvers as of mid-2013.

These Problem Solvers meetings are unprecedented. To date, the only real opportunities for bipartisan cooperation in Washington were the occasional "gang" of members coalescing around a particular issue. The Problem Solvers provides the only large-scale organized forum on Capitol Hill for rank-and-file members to discuss issues with colleagues of the other party.

In early 2013, the Problem Solvers began discussing reform ideas that they believed could attract widespread support in Congress and begin rebuilding the American people's trust in government. Eventually the group coalesced around a No Labels plan called **Make Government Work!**, which features nine common-sense ideas to reduce government waste and inefficiency.

**Make Government Work!** is a bold experiment in changing the way business is done in Washington. In recent years Americans have grown accustomed to only seeing Democrats and Republicans working together when forced to by a crisis.

But this is no way to govern. America has serious challenges that require Democrats and Republicans meeting regularly and searching relentlessly for common ground. That's precisely what the Problem Solvers are doing and their support of **Make Government Work!** represents the group's first concrete undertaking.

The problems that No Labels aims to solve in **Make Government Work!** – like reducing energy waste in government buildings, merging electronic health records between the Departments of Defense and Veterans Affairs and instituting smarter government procurement practices – are not new ones. And that's precisely the point:

*How can the American people trust government to implement any bold new ideas or reforms when so many longstanding problems fester?*

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There is too little urgency in Congress and within federal agencies about making government work as efficiently and cost-effectively as possible. **Make Government Work!** shines a light on nine of these problems.

Some of the problems identified in **Make Government Work!** are a byproduct of inertia: government does things a certain way because that's the way they have always been done. Other problems have just been deemed too difficult to solve with lots of excuses for why we "can't do it."

But the American people and No Labels' growing national army of supporters aren't interested in excuses, and they have a clear message for Washington.

*If there is a problem, just fix it.*

No Labels' congressional Problem Solvers are not collectively endorsing every idea in **Make Government Work!**, but each member supports some of the ideas, many support most of them, and all of the members believe these ideas deserve full consideration in Congress.

**Make Government Work!** is a first step – a proof of concept. If Democrats and Republicans can come together around these common-sense reform ideas, then No Labels believes it will lay the groundwork for even more substantial cooperation in the months ahead.

**Make Government Work!** is an opportunity for our elected leaders to demonstrate to the American people that they are willing to take real, tangible steps to deal with longstanding problems and to be responsible stewards of taxpayer dollars.

Above all, it's an opportunity for Congress to begin rebuilding the American people's trust in their government. It's an opportunity that Congress should seize.

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# 1. STAY IN PLACE, CUT THE WASTE

**THE PROBLEM** Every day federal employees shuttle across the country and the world for conferences, training programs, business meetings, court and administrative hearings and more. These travel expenses cost the federal government billions of dollars per year.

Some of this travel is essential but much of it is not, especially with the advent of video conferencing and other teleworking technology that enables smarter and more efficient ways of work. Many businesses and other large organizations are taking full advantage of this technological revolution, but the federal government has lagged far behind.

In 2011 President Obama signed an executive order directing federal agencies to reduce travel costs by 20 percent. Although progress has been made towards this goal, federal agencies should pursue much more aggressive reductions in their travel budgets. Video conferencing can be a big part of the solution.

**THE NO LABELS SOLUTION** Congress should direct the Office of Management and Budget (OMB) to review existing agency efforts to cut travel costs and to submit a plan to Congress to achieve an additional 50 percent cut in future travel by replacing it with video conferencing.

This is an ambitious goal **that could save American taxpayers billions of dollars.** Here's why it's achievable:

First, a fair amount of government travel is for routine activities like staff training and interagency meetings. Much of this can be done via video conferencing, especially when other government entities have proven the utility of this approach. For example, some local and district courts have been using video conferencing for routine activities like pre-trial hearings, case management meetings and hearings on motions. They've recognized that it doesn't make sense to force attorneys and court employees to devote hours of travel and work time to discuss a motion in person that might take 10 minutes to consider.

Second, advances in video conferencing technology are making it cheaper and more accessible. Old hardware-based solutions are being replaced by browser-based options that require users to only have a computer, an Internet connection and a webcam.

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## 2. BUY SMARTER, SAVE MORE

**THE PROBLEM** Everyone does it because it's a no-brainer. Families buy twice as much chicken at half the price by going to Costco or Sam's Club. Small hospitals get steep discounts on surgical masks and latex gloves by buying through bigger group-purchasing organizations. And governors on both sides of the aisle are combining the buying power of multiple state agencies to get deals on everything from office supplies to automobiles. Citizens call it volume buying. Supply chain managers call it strategic sourcing. Whatever you call it, this approach is all about buying smarter and saving more.

But by and large, the federal government hasn't gotten the message. The federal government spends more than \$500 billion every year on various products and services and much of that buying is fragmented and uncoordinated. There are 15 cabinet departments in the U.S. government and many of those have dozens of agencies and divisions. It is not uncommon for each of these entities to make completely independent buying decisions. They may buy their own paper from their own suppliers at different prices instead of consolidating their buying power to drive a hard bargain for the American taxpayer.

Both the Bush and Obama administrations, through OMB, have encouraged federal agencies to implement strategic sourcing, but there has been relatively little follow-through, and the results have been disappointing.

**THE NO LABELS SOLUTION** Congress should direct OMB to require all federal agencies to identify products and services that can be strategically sourced and set a mandate for at least \$100 billion worth of annual purchases using this approach. Each cabinet-level department should have a senior dedicated strategic sourcing officer to ensure that they are indeed buying smarter and saving more for taxpayers.

Based on data from other large organizations that have committed to strategic sourcing and estimates from experts, **this proposal could save the federal government at least \$10 billion per year.**

There are countless goods and services that experts have identified as ripe for strategic sourcing including propellants and fuels, food, janitorial and maintenance services, drugs, medical supplies, guard services and vehicles.

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# 3. DON'T DUPLICATE, CONSOLIDATE

**THE PROBLEM** The most contentious debate in Washington right now is over what the federal government should and should not do. But regardless of where one stands on that debate, everyone should be able to agree that whatever government does do, should be done as efficiently as possible.

But that just isn't happening, and there's no more striking example than the disjointed way that our government attacks problems. Too many federal programs are fragmented (different entities handling little parts of big problems), overlapping (different entities handling similar problems) or duplicative (different entities handling the same problems).

According to the Government Accountability Office (GAO), there are 21 different programs providing federal assistance for higher education and 76 federal drug treatment and prevention programs. Meanwhile the Defense Department relies on 159 contracting organizations to provide foreign-language support for its employees.

These are just three of the 162 examples of government duplication or other inefficiencies that the GAO identified in its 2013 report.

**THE NO LABELS SOLUTION** Because the GAO doesn't have any statutory authority to force federal agencies to change the way they operate, the responsibility must fall to the president through OMB and to Congress.

The GAO's 2013 report made 300 different recommendations to reduce duplication and inefficiency in government, but Congress and the Obama administration still have not addressed about 30 percent of those.

Each federal agency should begin working with OMB immediately to implement GAO's recommendations and should be required to report within one year the specific actions that have or will be taken by the Executive branch and that need to be taken by Congress.

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# 4. WASTED ENERGY, WASTED DOLLARS

**THE PROBLEM** America wastes more energy than any other developed country.

Because the federal government is America's largest energy consumer, it has a critical role to play in charting our nation's path toward greater energy efficiency. The Obama Administration has made great initial strides to improve the efficiency of government vehicles and buildings in particular – and President Obama has called for a doubling of national energy efficiency by 2030.

But there is a significant opportunity to accelerate the pace of energy efficiency improvements, especially in the area of government buildings, where the federal government owns and operates nearly three billion square feet of building space.

**THE NO LABELS SOLUTION** To save taxpayer dollars by making federal buildings more energy efficient, the administration should implement more energy conservation measures, including public-private partnerships like Energy Savings Performance Contracts (ESPCs), which achieve savings at no up-front cost to taxpayers. Companies performing ESPC work secure their own financing to design and implement energy efficiency projects, and they are then paid for out of savings achieved by their work. If the savings are not realized, the contractor is not paid.

The Department of Energy should complete energy audits of all federal facilities as mandated by Congress in 2007. The administration should implement recommended energy conservation measures, including the use of ESPCs, to achieve \$1 billion of savings annually until the maximum amount of savings is achieved. The Department of Energy should provide annual reports to Congress on the progress made toward achieving this goal.

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# 5. NO BUDGET, NO PAY

**THE PROBLEM** The most basic responsibility Congress has is deciding how much money the government takes in and how much it spends. But Congress has passed its spending bills on time only four times since 1952 and not at all since 1997.

The upshot is more wasteful and inefficient government. When Congress fails to pass spending bills on time, it relies on temporary spending measures called continuing resolutions — which provide the money federal agencies need to operate based roughly on what they spent the previous year. What continuing resolutions don't provide is any chance for Congress to debate the most fundamental question of all:

Why are we spending this money?

Congress often spends first and asks questions later, when it should instead be spending only after figuring out what goals it's trying to achieve.

Meanwhile, Congress' constant stop-and-go budgeting creates havoc for government agencies and the citizens who depend on them, leading to delayed or suspended services and wasted taxpayer money. Few businesses could operate efficiently if their budgetary time horizons were three or six months, but that's precisely the situation many government agencies find themselves in.

**THE NO LABELS SOLUTION** If Congress can't make spending and budget decisions on time, members shouldn't get paid on time either. Every government fiscal year begins October 1. If the congressional appropriations (spending) process is not completed by that date, congressional pay ceases as of October 1 and isn't restored until appropriations are completed. This law could be passed in 2013 or 2014, and would take effect when the new Congress is seated in 2015.

On February 4, 2013 President Obama signed a debt ceiling extension bill that included a modified No Budget, No Pay provision that would withhold member pay in escrow if their respective chambers failed to pass a budget by April 15. No Labels supported this legislation as a critical step towards more accountable government and it worked: both the House and Senate produced budgets soon after this modified No Budget, No Pay was enacted.

However, No Labels believes Congress should still implement the stronger No Budget, No Pay proposal described above, which would require timely passage of both a budget and annual spending bills and would also not allow lost member pay to be recovered once it was withheld.



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# 6. 21<sup>ST</sup> CENTURY HEALTHCARE FOR HEROES

**THE PROBLEM** In early 2013 Americans were outraged when they learned that hundreds of thousands of U.S. military veterans were waiting months or even years to access medical benefits through the Department of Veterans Affairs (VA). The revelation was a reminder that our troops – many of them veterans of the wars in Iraq and Afghanistan – are often not getting the care they deserve.

But the VA backlog isn't the only problem with our military healthcare system. Another glaring problem is that the Department of Defense (DOD) and the VA still don't have a unified system of electronic health records. Because DOD handles medical care for active duty servicemen and women and VA handles care for veterans, this poses a particular challenge for troops transitioning between military and civilian life.

Health records compiled during a soldier's active duty service are sometimes lost or inaccessible once they enter the VA system, which can make post-military service care fragmented and uncoordinated. Especially for soldiers who may have sustained complex injuries during service that require long-term care, having accessible and accurate medical records may be the difference between life and death.

**THE NO LABELS SOLUTION** Congress should mandate full interoperability of DOD and VA medical records by the end of 2013. Congress and the Executive branch have been directing these two agencies to merge military medical records for the better part of a decade – but the stark reality is that it just has not happened.

There are promising signs of progress. For example, on February 5, 2013, the secretaries of DOD and VA announced that they would focus on interoperability and integration using existing solutions before the end of 2013 with initial implementation in 2014. And they announced many important health care data deadlines in 2013 to meet that goal.

But goals and deadlines in this area have been set and missed before. That's why No Labels believes it is important for Congress to consider a law with real teeth – perhaps by limiting a certain amount of funding to DOD and VA until they have completed electronic health record interoperability by the end of 2013.

No Labels also believes this new electronic health records law should include provisions for other new, innovative and portable solutions for service member health records. By the end of 2013, each incoming service member (and DOD dependent) must have the option of access to an electronic copy of his or her complete health record, and full control of where and how it is shared with other providers and people they trust. By the end of 2014, each current service member should have the option to receive a similar device to hold electronic records, like a USB stick. Additionally provisions must be made for a secure cloud storage location where service members can upload their health records on a voluntary basis and DOD and VA physicians can access the records from anywhere.

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# 7. TAKE THE TIME, SAVE THE DIME

**THE PROBLEM** There are countless reasons for America's dire fiscal condition. There is of course the simple matter of what government spends – too much. But there is also the matter of how we spend it.

Quite simply, our budget process is broken. With No Labels' No Budget, No Pay proposal, we have tried to give members of Congress more incentive to pass annual budget and spending bills on time (which have been late every year since 1997).

But even if budgets are passed on time, the budget process itself is still an unwieldy, all-consuming exercise – crowding out other legislative business and leaving too little time for Congress to engage in effective oversight.

*In other words, Congress spends way too much time figuring out how to spend taxpayer money instead of figuring out if that money is being put to good use.*

Every single year Congress must allocate more than \$1.3 trillion in discretionary spending – money that is used to fund more than 400 federal government agencies, carrying out thousands of different programs with over four million employees.

It is a gargantuan task and it gets tougher and more time-consuming every year.

**THE NO LABELS SOLUTION** Congress should establish a two-year “biennial” budgeting cycle for the U.S. government.

Under this new biennial budgeting process Congress would complete its budget resolution and appropriations bills in the first year of each Congress and conduct an oversight and review process in the second year.

The benefits of biennial budgeting are numerous, beginning with the fact that it would encourage the federal government to focus more on long-term strategic planning – which has long been understood as an essential ingredient of success for businesses and many other large organizations.

There is already ample support for this idea. Twenty U.S. states use biennial budgeting, and every president since Ronald Reagan has endorsed the practice.

In early 2013 the Senate voted to support a biennial budgeting process by a bipartisan vote of 68-31. Now we just need the full Congress and the president to fully endorse an idea whose time has come.

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# 8. PLAN TO SAVE AND CUT

**THE PROBLEM** Every year think tanks, auditors, investigators, and even Uncle Sam's own Government Accountability Office crank out report after report concluding the same thing:

*Too many federal government programs are inefficient, costly, ineffective or all of the above.*

And yet, every year these conclusions are largely ignored. The problem is ultimately one of focus, with Congress, the White House and other key actors often so engaged in hot-button political debates that they ignore the workaday functioning of government. As a consequence, the federal government unnecessarily wastes billions of dollars a year while many government programs continue to operate without concrete goals or standards for success.

It's time for a more rigorous focus on what government does, how it does it, how it performs, how we pay for it and how we measure success.

**THE NO LABELS SOLUTION** Congress should pass a law creating a new bipartisan Commission for Government Transformation, which would oversee and effect the transformation of various federal government programs and functions so they will be more economical, efficient and effective.

The commission would feature seven members – appointed by the president and the leadership of both parties in the House and the Senate – and a dedicated expert staff that would review all activities of government and develop specific recommendations for the White House and Congress.

Numerous facets of the federal government's operations demand reform, and the commission would examine issues including: government management practices, financial controls, the alignment of specific programs with strategic goals and the elimination of failed programs.

Any recommendations from the commission could either be implemented by the president or sent to Congress for an up-or-down vote within a specific timeframe.

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# 9. NO ADDING, NO PADDING

**THE PROBLEM** Too much of government spending is on autopilot.

Congress and federal agencies rely on a variety of budgetary procedures that together conspire to effectively put increases in year-to-year government spending on autopilot. A leading culprit is the automatic use of inflation adjustments to increase federal agency budgets before proposals are submitted to Congress each year.

But inflation affects different agencies in different ways in different years – and using this measure is a blunt instrument that helps keep federal spending on a constant upward trajectory.

**THE NO LABELS SOLUTION** Congress should direct OMB to remove inflation as a factor in determining annual agency budgets.

Nothing in this law would prevent Congress from appropriating whatever it wants to fund a government agency or program. But it would force every federal agency to justify increases in its budget based on the merits and needs of their programs instead of merely assuming automatic inflation-adjusted increases in their year-to-year funding.

Moreover, “zeroing-out” this inflation adjustment would force federal agencies to become more efficient and cost-conscious, encouraging them to find ways to provide the same level of service for less money.

# MAKE GOVERNMENT WORK!

## SAVE THE DATE - JULY 18

**WHO** 70 Problem Solvers

**WHAT** A press conference to announce the **Make Government Work!** legislative package of nine bills in the House and Senate.

**WHERE** Russell Senate Office Building & Upper Senate Park

**WHEN** Thursday, July 18  
10:30 a.m. — Problem Solvers Briefing  
11 - 11:30 a.m. — Press Conference

