

Trump Launches Effort to Shrink Executive Branch

signed an executive order to create a “Comprehensive Plan for Reorganizing the Executive Branch.” The order requires his budget director, Mick Mulvaney, to complete a plan recommending specific spending cuts based on input from federal agencies and outside scholars.

This is a promising initiative. It will be up to Congress to enact the administration’s plan into law, but Mulvaney is a serious reformer who will likely use this opportunity to push for substantial terminations.

The executive order does not just ask for modest efficiency gains, but for major cuts:

The proposed plan shall include, as appropriate, recommendations to eliminate unnecessary agencies, components of agencies, and agency programs, and to merge functions.

The plan contemplates a revival of federalism:

In developing the proposed plan ... the Director shall consider ... whether some or all of the functions of an agency, a component, or a program are appropriate for the Federal Government or would be better left to State or local governments or to the private sector through free enterprise.

1,100 aid-to-state programs costing almost \$700 billion a year that “would be better left to state and local governments.” As for free enterprise, we could start by weaning farmers off welfare and allowing them to earn a living in the marketplace like the rest of us do.

The executive order asks Mulvaney to consider, “whether the costs of continuing to operate an agency, a component, or a program are justified by the public benefits it provides.” This is a call for Mulvaney to initiate detailed cost-benefit analyses of spending programs. Federal law currently requires cost-benefit analyses of regulations, but there is no similar accountability for spending programs.

farm insurance subsidies. Taxpayers are supposed to take it on faith that this is a good use of their money. Sorry, but that is just not good enough anymore in an era of \$600 billion budget deficits.

So, as a first step, Mulvaney should identify a few dozen major programs that outside experts have pointed to as dubious (such as farm insurance subsidies) and subject them to a rigorous cost-benefit analysis. Such analyses would include the deadweight losses imposed by each program's needed tax funding, as well as other sorts of damage to society.

Homeland Security superstructure on top of 22 existing federal agencies.

The language of Trump's executive order suggests that he will move in the opposite direction, and Mulvaney is the right man to lead this effort.

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