

CONGRESS  
1st SESSION

# H.R. 3

To reduce waste, overlap, and duplication in the federal government and achieve billions in financial benefits for the American people.

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## IN THE HOUSE OF REPRESENTATIVES

September, 2023

Mr. Franco Hersey (For Himself), ON BEHALF OF THE TC  
ADMINISTRATION) introduced the following bill)

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# A BILL

To reduce waste, overlap, and duplication in the federal government and achieve billions in financial benefits for the American people.

*Be it enacted by the Senate and House of Representatives  
of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

- (a) **SHORT TITLE**—This Act may be cited as the “Government Waste Reduction Act”

**SECTION 2. SEVERABILITY.**

- (a) **SEVERABILITY**—If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.
- (b) **SUPREMACY**— Any law, order, or regulation that contradicts or conflicts with this Act shall be deemed null and void to the extent of such confliction and contradiction..

**SECTION 3. DEPARTMENT OF DEFENSE**

- (a) The DoD shall establish a Headquarters Efficiency Task Force (HETF), composed of representatives from key DoD offices and components, to oversee and coordinate the headquarters consolidation and size reduction efforts. Each DoD component shall conduct a comprehensive review of its respective headquarters organizations. This review shall include an assessment of the functions, personnel, facilities, and costs associated with each headquarters. Based on the comprehensive reviews, each DoD component shall identify specific opportunities for consolidation or size reduction within its headquarters. These opportunities should be categorized as short-term and long-term initiatives. The HETF shall prioritize the identified opportunities and submit them for approval to the

Secretary of Defense and other relevant authorities within the DoD. Implementation Approved consolidation and size reduction initiatives shall undergo detailed implementation planning. This planning should address timelines, resource allocation, potential impacts on personnel, and strategies for achieving efficiency gains. DoD components shall execute the approved initiatives under the guidance and oversight of the HETF. Regular progress reports and updates shall be provided to the HETF. The HETF shall continuously monitor and evaluate the progress and outcomes of the consolidation and size reduction initiatives. Adjustments and refinements shall be made as necessary to achieve the desired cost saving efficiency goals.

- (b) The United States Navy shall be required to (1) report sustainment cost estimate growth information to Congress and (2) reassess shipbuilding programs that are experiencing a high level of sustainment cost estimate growth.

- (i) The Secretary of Defense shall

- (1) change its definition for setting operational availability for ships in its Joint Capabilities Integration and Development System policy by adding information that defines the operational availability requirement by mission area in addition to the ship level and includes all equipment failures that affect the ability of a ship to perform primary missions.

- (2) change the definition for setting materiel availability for ships in its Joint Capabilities Integration and Development System requirements policy to include all factors that could result in a ship being unavailable for operations, such as

unplanned maintenance, unplanned losses, and training.

- (3) direct the ASN (RD&A) and the CNO, once DOD requirements setting policy is revised, to update existing operational availability requirements for ongoing shipbuilding programs. When revising these requirements, the Navy shall set operational availability requirements that: (1) are based on failures that affect the ability of a ship to perform primary missions and (2) are set at the mission level instead of ship level.
- (4) direct the ASN (RD&A) and the CNO, once DOD requirements setting policy is revised, to update the materiel availability requirements for ongoing shipbuilding programs. When developing or revising these requirements, the Navy shall set material availability requirements that fully capture all factors that could preclude a ship from being ready when needed.
- (5) direct the Commander of Naval Sea Systems Command to ensure that cost estimators follow current guidance and GAO-identified best practices and conduct sensitivity analyses and other analyses to improve their assessment of cost risk in the O&S costs in shipbuilding programs' life-cycle cost estimates.
- (6) Institute a process for vigilant monitoring of orders and expeditious resolution of lingering reimbursements, with an objective to recover

overdue repayments owed by foreign partners for sales transactions.

- (c) The Department of Defense shall initiate a comprehensive transition plan to adopt and implement performance based logistics principles across all weapon systems, equipment, and platforms within its jurisdiction.

#### **SECTION 4. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

- (a) The Secretary of Health and Human Services is hereby directed to equalize payment rates between settings for evaluation and management office visits and other services that the Secretary deems appropriate and return the associated savings to the Medicare program.

#### **SECTION 5. OFFICE OF MANAGEMENT AND BUDGET**

- (a) The Office of Management and Budget (OMB) shall further its Category Management initiative to improve how agencies buy common goods and services by taking such actions as addressing agencies' data management challenges and establishing additional performance metrics to assist the federal government achieve cost savings, as well as potentially eliminate duplicative contracts.
- (b) The Office of Management and Budget and the General Services Administration shall better position themselves to achieve their cost savings goals and reduce inefficient overlap and duplication by strengthening their implementation of selected federal shared service reform efforts.

**SECTION 6. DEPARTMENT OF EDUCATION**

- (a) The Department of Education is hereby directed to institute verification requirements to ensure the accuracy of income information reported by borrowers who claim zero income on their Income-Driven Repayment (IDR) applications

**SECTION 7. INTERNAL REVENUE SERVICE AND BUREAU OF LABOR STATISTICS**

- (a) The Internal Revenue Service enforcement and service capabilities shall be enhanced and strengthened to their discretion to reduce the gap between taxes owed and paid by collecting tax revenue and facilitating compliance, to achieve this, they shall institute third-party information reporting (ie, reporting shall be required for certain payments that rental real estate owners make to service providers, such as contractors who perform repairs on their rental properties, and for payments that businesses make to corporations for services.)
- (b) The Internal Revenue Service shall enact rigorous measures and fortify its relentless endeavors to thwart any and all instances of refund fraud linked with identity theft and ensure those who do so are met with severe consequences and scrutiny.
- (c) The IRS shall be required to fully verify income through a review of form W-2, form 1099, business licensing or registration, and relevant invoices before any refundable EITC payment is made. They shall additionally
  - (i) Require individuals claiming self-employment or small business income to:
    - (1) Provide a form 1099 documenting the income; or,
    - (2) Be a registered or licensed small business and provide invoices of payments received including

date of service and identifying contact information from customers.

- (ii) Be required to check the administrative records of the Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, and subsidized housing programs to determine if the tax filer received benefits or a dependent child received benefits from the program during the calendar year and to determine whether the household composition and income reported on the claimant tax form is consistent with that reported to state agencies operating those programs.
  - (iii) Provide a \$2,000 penalty for any tax filing involving an erroneous claim for a refundable tax credit that is based on substantial misreported income.
- (d) The Bureau of Labor Statistics (BLS) shall adopt the Chained CPI as the official method for measuring inflation for all federal government programs and purposes.

## **SECTION 8. DEPARTMENT OF ENERGY**

- (a) The Department of Energy shall mitigate inherent risks by strategically embracing cost-saving alternative methods, notably the utilization of grouting, for the management of its low-activity radioactive waste.

## **SECTION 9. AUDIT TIMELINE**

- (a) The HETF will conduct an audit of the DoD at the time of establishment, and continue to have an audit every 5 years. The audit shall be accompanied by a review of productivity that shall be used by the DoD to determine whether it is necessary to perform job cuts.

- (b) The OMB will continue to receive department financial reports, and shall conduct an audit on all departments under their jurisdiction every 5 years. These audits shall be available to the President of the United States and to Congress.
- (c) Apart from the DoD, a full internal review shall happen in every department to determine productivity and the necessity of removing positions.

