

TAXPAYERS
PROTECTION
ALLIANCE

CUTTING THE TAB:

40 WAYS TO REDUCE AMERICA'S DEBT



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ABOUT THE TAXPAYERS PROTECTION ALLIANCE

The Taxpayers Protection Alliance (TPA) is a rapid response taxpayer group dedicated to analyzing and researching the consequences of government intervention in the economy. TPA examines public policy proposals through a non-partisan focus, identifying how government waste and overreach impact taxpayers and consumers regardless of the political party responsible.

TPA holds government officials in the United States, and around the world, accountable through editorials, statements, coalition letters, public interest comments, and radio and television interviews. TPA recognizes the importance of reaching out to concerned citizens through traditional and new media, and utilizes blogs, videos, and social media to connect with taxpayers and government officials.

While TPA regularly publishes exposés and criticisms of politicians of all political stripes, TPA also provides constructive criticism and reform proposals based on market principles and a federalist philosophy. TPA empowers taxpayers and consumers to make their opinions known to their elected and non-elected officials and embraces bold solutions to hold an ever-growing government in check.

INTRODUCTION

The national debt is now more than \$40 trillion, and the pace of debt accumulation is proceeding at an alarming rate.¹ While it took roughly 205 years after the nation's founding for the U.S. gross national debt to reach its first \$1 trillion in October 1981, it took less than 45 years to accumulate the subsequent \$39 trillion, crossing \$40 trillion in August 2026. Based on recent population figures,² the current level of federal debt amounts to roughly \$117,000 for every man, woman, and child in the United States. Net interest on the debt will exceed \$1 trillion this fiscal year and is on track to become the single-largest line item in the federal budget by 2048, according to the Congressional Budget Office (CBO).³

Demonstrating the dizzying pace of government spending, the CBO recently estimated that the deficit for fiscal year (FY) 2026 will be \$2.1 trillion.⁴ If Congress approves the \$5,000 “dividend” checks, as proposed by President Trump, the deficit could eclipse \$3 trillion next fiscal year. This fiscal trajectory poses an existential threat to the U.S. Accumulating debt, especially at such a rapid pace, crowds out private investment and imposes a tax on future generations of Americans who now owe trillions of dollars before they have even had the chance to contemplate their futures. Rather than funding forward-looking investments (which is how this spending is often framed), an ever-increasing share of taxpayer dollars is diverted simply to service past borrowing. If left unaddressed, the compounding burden of interest payments risks eroding American living standards and continuing to fuel stubbornly persistent inflation.

Reversing this crisis demands a comprehensive rethinking of federal fiscal policy. To that end, this report by TPA presents 40 targeted and actionable recommendations whose stand-alone savings estimates collectively total more than \$10 trillion over ten years—although some savings overlap across reforms—and that are designed to curtail unsustainable government spending while remaining fair to federal programs' current beneficiaries. By proposing fiscal reforms across a variety of programs including Social Security, Medicare, and Medicaid, this report provides a blueprint to pay down the national debt and ensure American prosperity for generations to come.

1. REPLACE OPEN-ENDED MEDICAID MATCHING WITH A ZERO-GROWTH BLOCK GRANT

Medicaid largely uses an open-ended federal match, providing anywhere from \$1 to \$9 in federal funding for every \$1 that states spend on healthcare for their own residents. This financing structure creates a perverse incentive: when states spend more, Washington generally sends more,



while states bear only a fraction of the cost of waste, fraud, and abuse. Consolidating Medicaid and the Children's Health Insurance Program into a fixed annual federal block grant and holding federal funding at fiscal year 2027 levels over the next ten years could yield more than \$5 trillion in taxpayer savings.

10-YEAR TAXPAYER SAVINGS: \$5.0 TRILLION⁵

2. REINSTATE AND EXTEND BINDING STATUTORY CAPS ON NON-DEFENSE DISCRETIONARY SPENDING BEYOND FY2025

Statutory caps set a legal ceiling on how much Congress can appropriate for discretionary programs each year, enforced through automatic across-the-board cuts (sequestration) if Congress exceeds them. This has been done twice before: the Budget Control Act of 2011 (BCA) and the Fiscal Responsibility Act of 2023 (FRA).⁶ The Congressional Budget Office estimated the FRA's two-year spending caps for fiscal years 2024–2025 would generate \$245 billion in savings over a two-year timeframe. Projecting these savings over a ten-year period, taxpayers would save \$1.3 trillion if binding budget caps remained in place.



10-YEAR TAXPAYER SAVINGS: \$1.3 TRILLION^{7,8}

3. PHASE OUT FEDERAL SNAP FUNDING AND RETURN FOOD ASSISTANCE TO THE STATES

The Supplemental Nutrition Assistance Program (SNAP) costs roughly \$100 billion per year and is financed overwhelmingly by federal taxpayers even though states administer eligibility and benefits. A program administered by states but paid for almost entirely by Washington weakens accountability by distorting the incentives state governments face. State officials can expand eligibility, ignore administrative error, or resist costly program-integrity investments while taxpayers nationwide bear most of the added cost. Reducing federal SNAP outlays by 10 percent each year until federal funding reaches zero in a decade could save taxpayers an estimated \$550 billion. This multi-year reduction would empower states to take the lead in carefully and efficiently running this broken program.



10-YEAR TAXPAYER SAVINGS: \$550 BILLION⁹

4. END MEDICAID PROVIDER TAX FINANCING SCHEMES

States can tax hospitals or other healthcare providers, count the tax revenue as state Medicaid expenditures, and thereby draw additional federal matching funds—often returning much of the money to the same types of providers at taxpayers' expense. Eliminating provider taxes alone could save an estimated \$386 billion in foregone Medicaid spending. The reform would achieve these savings by stopping states from using circular financing arrangements to capture more federal Medicaid dollars while remaining insulated from the full costs.



10-YEAR TAXPAYER SAVINGS: \$386 BILLION¹⁰

5. CUT SELECTED FEDERAL TRANSPORTATION AND EDUCATION GRANTS BY ONE-THIRD

The federal government provides large grants to state and local governments for transportation and education, including highway and transit projects and programs for low-income students and students with disabilities. These grants often harm the vulnerable populations they are designed to help, adding additional layers of taxes, bureaucratic procedures and rules, and political bargaining before money returns to local projects. Cutting this funding by one-third would reduce federal outlays by roughly \$340 billion over ten years and give states and communities more freedom to set their own priorities and procurement requirements.



10-YEAR TAXPAYER SAVINGS: \$340 BILLION¹¹

6. MOVE SOCIAL SECURITY TOWARD A UNIFORM RETIREMENT BENEFIT

This reform would replace Social Security's earnings-based benefit for new beneficiaries with one standard benefit equal to 150 percent of the poverty level, or about \$1,990 per month in 2026. About one-third of new beneficiaries—mostly lower earners—would receive more than under current law, while about two-thirds would receive less. It would strengthen the safety net for lower earners and reduce promises to higher earners, helping to alleviate the program's growing financial shortfall before insolvency forces much larger, across-the-board cuts.



10-YEAR TAXPAYER SAVINGS: \$283 BILLION¹²

7. INDEX FEDERAL BENEFITS WITH CHAINED CPI

Many federal benefits, including Social Security, rise each year with the conventional Consumer Price Index. One reform contemplated by the Congressional Budget Office would instead use a chained Consumer Price Index (CPI), which accounts for consumers switching toward relatively cheaper goods as prices change. The CBO estimates that the change would reduce federal outlays by \$281.7 billion from 2025 through 2034, including \$204.2 billion from Social Security. Because tax brackets would also change, net deficit reduction would amount to \$278.0 billion.



10-YEAR TAXPAYER SAVINGS: \$281.7 BILLION¹³

8. EMPOWER STATES TO RUN FEDERAL CHILD-NUTRITION PROGRAMS

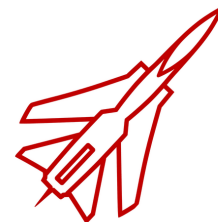
Washington spent more than \$30 billion in FY2025 on school lunch, school breakfast, summer meals, and related nutrition programs. School meals are delivered locally, yet federal financing dominates the system and imposes national rules onto decisions that schools and families are better placed to make. A ten-year phaseout in which federal child-nutrition outlays fall by 10 percent each year from FY2027 until they reach zero could save taxpayers an estimated \$262 billion over the next ten years.¹⁴



10-YEAR TAXPAYER SAVINGS: \$262 BILLION¹⁵

9. ELIMINATE THE F-35 PROGRAM

Through the F-35 fighter jet program, the Department of Defense aims to build a fleet of advanced stealth fighters. The United States military wants to buy 2,400 jets over the course of production and plans to spend \$2.1 trillion on the program over the next 30 years. However, the F-35 program has a history of production and logistical issues that will likely continue to significantly delay production time and drive up costs for American taxpayers who are ultimately on the hook for the program.¹⁶ Eliminating this program would save taxpayers more than \$230 billion over the next ten years.



10-YEAR TAXPAYER SAVINGS: \$230 BILLION¹⁷

10. CAP SIX-FIGURE SOCIAL SECURITY BENEFITS

Social Security pays out \$100,000 or more per year to the highest-earning married couples, and maximum benefits are scheduled to keep rising over time. Proposed by the Committee for a Responsible Federal Budget, the Six Figure Limit would cap combined benefits at \$100,000 for couples and \$50,000 for individuals claiming at the normal retirement age. The limits would stay fixed for 20 to 30 years, allowing more high earners to reach the cap as scheduled benefits rise, and then grow with average wages. The reform would reduce Social Security spending by about \$190 billion over ten years.



10-YEAR TAXPAYER SAVINGS: \$190 BILLION¹⁸

11. CUT FEDERAL CROP INSURANCE SUBSIDIES

The federal government pays about 60 percent of farmers' crop-insurance premiums and also pays billions of dollars each year to the private insurers that sell and administer the policies.¹⁹

Eliminating the federal program would end these subsidies while allowing farmers to continue to purchase insurance privately—without taxpayers footing the bill. Based on current federal spending and projected cost inflation, eliminating the program could save taxpayers an estimated \$157 billion over ten years.²⁰



10-YEAR TAXPAYER SAVINGS: \$157 BILLION

12. PAY THE SAME MEDICARE RATE FOR THE SAME OUTPATIENT SERVICE

Medicare currently pays hospital outpatient departments significantly higher rates than independent physician offices for identical routine procedures. A site-neutral payment system would pay the same rate for services that can safely be provided in either setting, regardless of whether the hospital-owned facility is on or off campus. The reform would change what Medicare pays, not where patients can receive care, and would save about \$157 billion.



10-YEAR TAXPAYER SAVINGS: \$157 BILLION²¹

13. MODERNIZE MEDICARE COST SHARING AND LIMIT FIRST-DOLLAR COVERAGE



Traditional Medicare has separate deductibles and other out-of-pocket costs for different services, but no overall limit on what a beneficiary can owe in a year. This reform would simplify Medicare’s cost-sharing rules, add an annual cap on out-of-pocket costs, and require beneficiaries with Medigap—private supplemental insurance that helps pay costs Medicare does not cover—to pay some initial costs themselves rather than having Medigap cover nearly everything from the first dollar. Requiring modest cost sharing while adding protection against very large bills would reduce unnecessary spending without leaving beneficiaries exposed to catastrophic costs.²² Together, the changes would save about \$129 billion.

10-YEAR TAXPAYER SAVINGS: \$129 BILLION²³

14. LIMIT HIGHWAY AND TRANSIT SPENDING TO HIGHWAY TRUST FUND REVENUES



Federal gas and diesel taxes flow into the Highway Trust Fund to finance highway and transit programs, but spending has exceeded those dedicated revenues for more than two decades, requiring transfers from general federal revenues. Limiting highway and transit funding to actually-collected trust fund dollars would save taxpayers about \$116 billion over ten years.

10-YEAR TAXPAYER SAVINGS: \$116 BILLION²⁴

15. RAISE THE SOCIAL SECURITY FULL RETIREMENT AGE TO 70



When Social Security was created in 1935, the full retirement age was 65; today it is 67—an increase of only 2 years—while life expectancy at age 65 has increased by roughly 6–7 years. Social Security’s full retirement age is 67 for workers born in 1960 or later. Under this reform modeled by the Congressional Budget Office (CBO), it would rise by two months for each birth year from 1964 through 1981, reaching 70 for workers born in 1981 or later. People could still claim at 62, but the early-claim reduction would be larger.

10-YEAR TAXPAYER SAVINGS: \$94.7 BILLION²⁵

16. PHASE OUT FEDERAL TANF FUNDING

The federal government provides states about \$16.5 billion a year through the Temporary Assistance for Needy Families (TANF) program, which states use for cash aid, child care, training, and myriad other forms of assistance to low-income beneficiaries. The federal government has struggled to keep track of how the money is used. Funds are currently diverted to programs with little or no connection to TANF's core purpose; hundreds of millions of dollars were found to be directed to questionable uses, including subsidies for relatively affluent college students, unrelated state spending, and contractors whose use of the money was poorly tracked.²⁶ Phasing out federal TANF outlays by 10 percent each year beginning in FY2027 until federal funding reaches zero could save taxpayers an estimated \$91 billion over the next ten years.



10-YEAR TAXPAYER SAVINGS: \$91 BILLION²⁷

17. CUT IMPROPER PAYMENTS THROUGH PREPAYMENT VERIFICATION

Federal agencies reported \$186 billion in improper payments in fiscal year 2025, including about \$153 billion in overpayments—money paid in the wrong amount, to the wrong recipient, or without enough information to confirm that the payment was proper. Much of the federal government still relies on detecting these problems after money has already gone out. Requiring agencies to verify eligibility and screen higher-risk payments before they are made could prevent a significant portion of those losses. Preventing just 5 percent of current overpayments would amount to roughly \$75 billion in taxpayer savings over ten years.



10-YEAR TAXPAYER SAVINGS: \$75 BILLION²⁸

18. STOP OVERPAYING 340B HOSPITALS FOR DISCOUNTED DRUGS

The federal 340B program requires drug manufacturers to sell outpatient drugs at steep discounts to certain hospitals and clinics that serve low-income or vulnerable patients. But while hospitals in the 340B program can buy many outpatient drugs at steep discounts, Medicare often reimburses them at rates based on much higher market prices. This reform would bring Medicare payments closer to what 340B hospitals actually pay for those drugs, saving roughly \$73.5 billion.



10-YEAR TAXPAYER SAVINGS: \$73.5 BILLION²⁹

19. CUT FEDERAL GRANTS FOR PRIMARILY STATE AND LOCAL FUNCTIONS

The federal government provides grants for many activities primarily carried out by state and local governments. Unfortunately, local officials often capture program benefits while spreading the tax burden nationwide. Moreover, via transfers, the federal government can exert influence over state and local policy beyond what direct legislation permits and can weaken states' fiscal discipline by separating spending decisions from full responsibility for their costs. Cutting new federal funding by 25 percent in the first year and 50 percent thereafter for programs including weatherization aid, environmental and water grants, Community Development Block Grants, certain nonacademic education grants and other federal transfers to states and communities would reduce federal outlays by up to \$66.7 billion over ten years.



10-YEAR TAXPAYER SAVINGS: \$66.7 BILLION³⁰

20. REQUIRE MORE RECENT WORK FOR NEW SOCIAL SECURITY DISABILITY INSURANCE CLAIMS

Social Security Disability Insurance provides benefits to workers who can no longer work because of a disability. Under current rules, most applicants over age 30 must have worked for at least five of the previous ten years. Requiring new applicants to have worked for at least four of the previous six years instead could save roughly \$60 billion over the next decade. This option would increase the share of recent years that disabled workers must have worked and shorten the look-back period.



10-YEAR TAXPAYER SAVINGS: \$60 BILLION³¹

21. END MEDICARE REIMBURSEMENT FOR PROVIDERS' BAD DEBT

Medicare currently reimburses eligible hospitals and other facilities for 65 percent of certain unpaid deductibles and coinsurance owed by beneficiaries. This federal reimbursement system shifts an ordinary collection risk from hospitals to taxpayers and weakens the incentive to price, bill, and collect carefully. This reform would phase out that federal reimbursement by 2028, leaving providers responsible for collecting patients' share of



healthcare bills. Existing programs that help low-income beneficiaries pay Medicare expenses would remain unchanged. The change would save roughly \$54 billion.

10-YEAR TAXPAYER SAVINGS: \$54 BILLION³²

22. END FEDERAL COMMODITY PRICE AND INCOME SUPPORTS

The federal government operates programs that support prices or incomes for producers of major agricultural commodities, including corn, soybeans, wheat, cotton, dairy, and sugar. Commodity subsidies distort planting decisions, encourage excess production, inflate land values, and shift ordinary business risks to taxpayers.³³ Eliminating these protectionist policies would reduce federal outlays by nearly \$50 billion over ten years.



10-YEAR TAXPAYER SAVINGS: \$50 BILLION³⁴

23. SLOW SOCIAL SECURITY BENEFIT GROWTH FOR HIGH LIFETIME EARNERS

Social Security benefits rise with a worker's earnings over his or her career. Although Social Security is designed to replace a larger share of earnings for low-wage workers, benefits still rise for workers in all income groups. This reform would slow benefit growth for roughly the highest-earning 30 percent of workers while leaving the other 70 percent unaffected. The change would be phased in over nine years and save \$48 billion from 2025 through 2034.



10-YEAR TAXPAYER SAVINGS: \$48 BILLION³⁵

24. INCREASE FEDERAL EMPLOYEE RETIREMENT CONTRIBUTIONS

The federal government provides most of its civilian employees with a pension plan through the Federal Employees Retirement System (FERS). Most federal workers hired before 2013 contribute 0.8 percent of their salary toward their FERS pension, while most workers hired since 2014 contribute 4.4 percent. Gradually raising the contribution rates for workers hired before 2013 to 4.4 percent would leave pension benefits unchanged while reducing federal deficits by \$39.6 billion over ten years.



10-YEAR TAXPAYER SAVINGS: \$39.6 BILLION³⁶

25. STANDARDIZE FEDERAL CIVILIAN HIRING RATIOS

The Congressional Budget Office notes that some federal agencies could continue to provide crucial services with a smaller workforce by operating more efficiently and eliminating non-cost-effective services. A new policy requiring agencies to replace only one departing civilian employee for every two who leave would reduce the size of the federal civilian workforce gradually through natural turnover rather than layoffs. This policy would also limit agencies' ability to backfill departing employees with contractors or raise pay for new hires. The President could still exempt agencies conducting work related to national security, emergencies, or critical mission needs. Even with these exemptions in place, taxpayers could save \$35 billion over ten years with required hiring reductions.



10-YEAR TAXPAYER SAVINGS: \$35 BILLION³⁷

26. ALIGN NEW VA DISABILITY PAYMENTS WITH RETIREMENT AGE

Veterans Affairs disability compensation is paid for service-connected disabilities and generally continues at the same level after normal retirement age, even though the need to replace earnings lost because of a disability largely disappears once most workers would otherwise have retired. Reducing disability compensation for future beneficiaries by 30 percent at age 67 could save taxpayers roughly \$34 billion over ten years, leaving Social Security and other retirement benefits unchanged. Additionally, veterans already receiving disability compensation before the change will be unaffected.



10-YEAR TAXPAYER SAVINGS: \$34 BILLION³⁸

27. REFORM TRICARE FOR LIFE COST SHARING

TRICARE for Life supplements Medicare for military retirees and their families and currently covers nearly all Medicare deductibles and coinsurance. The reform would require retirees to pay the first \$850 of those costs and half of the next \$7,650, while continuing to cover larger expenses in full. Military retirees would still keep Medicare and TRICARE for Life protection against large medical bills; they would simply bear more of the cost of smaller routine expenses. The change would reduce federal outlays by more than \$31 billion over a decade.



10-YEAR TAXPAYER SAVINGS: \$31 BILLION³⁹

28. INSTITUTE A NEW BASE REALIGNMENT AND CLOSURE (BRAC) ROUND

BRAC is a congressionally authorized process where an independent commission recommends military base closures/realignments, which Congress must approve or reject as a package without amendments. Five rounds have occurred in 1988, 1991, 1993, 1995, and 2005, but none since. The Department of Defense has stated for years that it has excess domestic base capacity, but Congress has repeatedly declined to authorize a new round.⁴⁰ Prior BRAC rounds from FY2012 through FY2023 are estimated to have saved an estimated \$166 billion. Many object that BRAC rounds undercut local economies, but communities that faced major closures in the 2005 round saw unemployment rates drop by more than the national average and per capita income rose roughly as much as the national average in the following decade. An additional BRAC round could save taxpayers nearly \$27 billion over the next ten years.



10-YEAR TAXPAYER SAVINGS: \$27 BILLION⁴¹

29. ELIMINATE FEDERAL CAPITAL GRANTS FOR NEW TRANSIT PROJECTS

The federal government provides Capital Investment Grants to help state and local governments build or expand rail, bus rapid-transit, streetcars, and other major transit projects. These projects routinely lose money, especially on costly rail systems that remain heavily subsidized even as ridership has weakened and increasingly skews toward higher-income commuters.⁴² Ending these grants would leave states and localities responsible for financing new transit investments they deem truly worthwhile. Based on current annual funding and projected inflation, eliminating these grants could save an estimated \$19 billion over ten years.



10-YEAR TAXPAYER SAVINGS: \$19 BILLION⁴³

30. REPEAL THE DAVIS-BACON PREVAILING-WAGE MANDATE

The Davis-Bacon Act generally requires contractors on federally funded or assisted construction contracts above \$2,000 to pay locally determined federal prevailing wages and benefits. This Depression-era mandate greatly increases costs for taxpayers and impedes infrastructure projects. Federal procurement should prioritize the construction of roads, buildings, and infrastructure at competitive prices instead of imposing wage mandates that raise taxpayer costs and hinder



competition. Allowing wages on covered projects to be set by the market through ordinary labor market bargaining would save taxpayers roughly \$18.2 billion over the next decade.

10-YEAR TAXPAYER SAVINGS: \$18.2 BILLION⁴⁴

31. CHANGE FEDERAL EMPLOYEE HEALTH BENEFITS TO A FIXED CONTRIBUTION

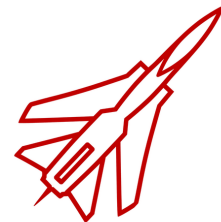
The federal government currently pays up to 75 percent of health insurance premiums for federal workers and retirees. Replacing that percentage-based subsidy with a voucher that grows with general inflation would make employees responsible for more of the cost when they choose plans with rapidly rising premiums. The change is estimated to reduce mandatory federal outlays by \$15.3 billion over ten years.



10-YEAR TAXPAYER SAVINGS: \$15.3 BILLION⁴⁵

32. STOP BUILDING FORD CLASS AIRCRAFT CARRIERS

Ford-Class Aircraft Carriers are the Navy's newest aircraft carrier class and are plagued by cost overruns and technology delays. Once built, the carriers often contain mechanical issues ranging from unreliable weapons technology systems to nonfunctioning elevators and even toilets that clog too easily. The Congressional Budget Office's standing budget options list includes canceling further procurement of these carriers, as it is the most expensive warship class in history. Taxpayers could save nearly \$15 billion over the next ten years if the Pentagon stops building these carriers.



10-YEAR TAXPAYER SAVINGS: \$15 BILLION⁴⁶

33. END FEDERAL MEAL SUBSIDIES FOR HOUSEHOLDS ABOVE 185% OF POVERTY

Federal school lunch, school breakfast, and child-care meal programs subsidize some meals for children in households significantly above the traditional income cutoff for public assistance. Eliminating subsidies for meals and snacks served to people in households above 185 percent of the federal poverty line would be a modest and sensible reform that leaves assistance to truly needy participants unaffected and can save taxpayers roughly \$14.1 billion over the next decade.



10-YEAR TAXPAYER SAVINGS: \$14.1 BILLION⁴⁷

34. END FEDERAL FUNDING FOR AMERICORPS AND NATIONAL COMMUNITY SERVICE

The federal government funds AmeriCorps and other national-service programs that pay people to work on community projects. Federally funded community service is a textbook example of the federal government's tendency to displace local governments and private organizations in building and strengthening communities. The proposal would end federal funding for these programs while allowing states, nonprofits, and private donors to continue funding projects they value. The change is estimated to save taxpayers more than \$10 billion over 10 years.



10-YEAR TAXPAYER SAVINGS: \$10 BILLION⁴⁸

35. ELIMINATE THE ESSENTIAL AIR SERVICE PROGRAM (EAS)

EAS was created by the Airline Deregulation Act of 1978 to maintain airline service in communities that had been covered by federally mandated service before deregulation. As of 2018, it subsidized air service in 63 communities in Alaska, 2 in Hawaii, 1 in Puerto Rico, and 108 in the continental U.S. The subsidy support goes to transportation services valuable to small, concentrated pockets of users, but these services are not commercially viable and provide little benefit to the general public. *The Washington Post* reports the program now costs taxpayers nearly \$700 million a year, far above its original funding levels when it was first passed.^{49 50} Eliminating the EAS would save taxpayers \$7 billion over the next ten years.



10-YEAR TAXPAYER SAVINGS: \$7 BILLION⁵¹

36. PHASE OUT FEDERAL DISASTER RELIEF FOR HIGH-RISK DEVELOPMENTS

A small subset of properties enrolled in the National Flood Insurance Program (NFIP), including those built or rebuilt repeatedly in known flood zones, can file claims repeatedly, effectively using federal insurance as a permanent subsidy to rebuild in high-risk locations rather than relocating. Roughly half of all flood insurance payouts go to a minuscule fraction of properties that repeatedly flood. Instead of funding high-risk properties, the federal government should begin to reduce disaster relief, in effect realigning incentives toward



building in safer locations. Without this reform, the number of repetitive loss properties will continue to grow, increasing costs to both NFIP policyholders and federal taxpayers.⁵²

10-YEAR TAXPAYER SAVINGS: \$6.84 BILLION⁵³

37. ELIMINATE THE ECONOMIC DEVELOPMENT ADMINISTRATION

The Economic Development Administration provides federal grants for local public works, regional economic-development projects, business assistance, workforce initiatives, and related programs. However, states, cities, and businesses are in a better position to decide whether those projects justify their costs. Federal grants encourage reckless decision-making by spurring communities to pursue projects based on artificially low development costs rather than genuine need. Eliminating the agency and its grant programs could save roughly \$4.7 billion over ten years.



10-YEAR TAXPAYER SAVINGS: \$4.7 BILLION⁵⁴

38. SELL EXCESS AND UNDERUSED FEDERAL REAL ESTATE

The federal government owns hundreds of office properties that are no longer central to agency operations. Selling excess buildings and reducing unnecessary space would eliminate recurring operating and maintenance costs while also generating proceeds from property sales. The non-essential properties already identified by the government represent more than \$430 million in annual operating costs, or more than \$4.3 billion over ten years if those costs simply remained flat.⁵⁵



10-YEAR TAXPAYER SAVINGS: \$4.3 BILLION⁵⁶

39. ELIMINATE FEDERAL MARITIME SUBSIDIES (MARITIME SECURITY PROGRAM OR MSP)

Under MSP, the government enters into long-term operating agreements with privately-owned U.S.-flag commercial vessels, paying an annual per-ship stipend in exchange for the ship being made available to the Department of Defense during war or national emergency. The program supports up to 60 vessels engaged in international commerce. The per-ship annual stipend is scheduled to rise automatically starting at \$5.3 million per ship, but rising by hundreds of thousands more until 2035. Although it's called



the “Maritime Security Program,” it is a direct industry subsidy that taxpayers should not be expected to take on. Eliminating the MSP would save taxpayers \$3.2 billion over ten years.

10-YEAR TAXPAYER SAVINGS: \$3.2 BILLION⁵⁷

40. ELIMINATE THE US TRADE AND DEVELOPMENT AGENCY (USTDA)

USTDA is an independent federal agency formed in 1992 to advance U.S. commercial interests in developing and middle-income countries. It provides grants to foreign project sponsors, who are directed to select U.S. firms for the resulting projects. Since 1982, USTDA's spending has grown an astounding 726.7 percent, far outpacing the 180 percent growth in overall federal spending over the same period. Eliminating this unsustainable agency would save taxpayers nearly \$400 million over the next ten years.



10-YEAR TAXPAYER SAVINGS: \$400 MILLION⁵⁸

CONCLUSION

Getting America's \$40 trillion debt under control requires courage from Congress and President Trump. It also requires a comprehensive strategy that addresses some of the nation's most expensive programs—including Social Security, Medicare, and Medicaid. Continued debt and deficit growth, mainly through entitlements and major federal assistance programs, will continue to crowd out private sector economic activity and fuel inflation unless spending is decreased.

Commonsense reforms such as implementing a zero-growth block grant for Medicaid, ending the F-35 program, and establishing a six-figure cap for high-earning Social Security beneficiaries can go a long way toward reducing red ink while preserving essential benefits for those who need them most. TPA's proposed reforms—which would amount to multi-trillion-dollar savings over ten years—would get the budget back on track and keep the American dream alive.

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