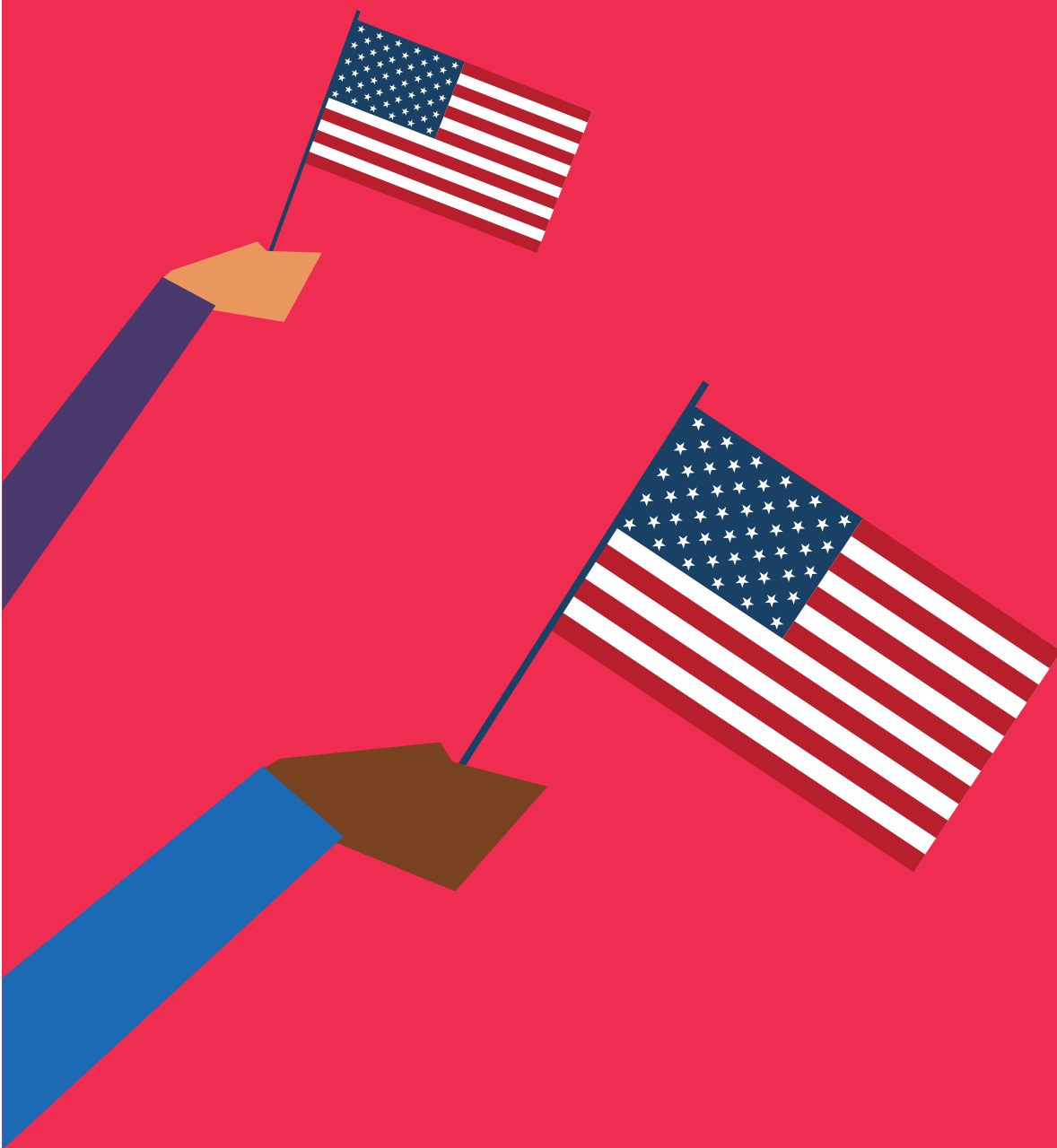
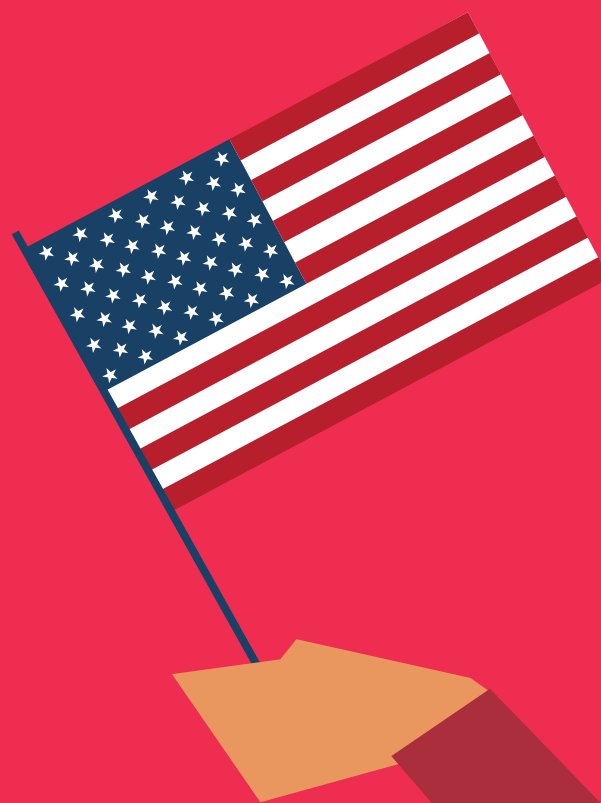


**NO LABELS**





# No Labels Policy Playbook

**For America's Next President**

# Table of Contents



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<b>Ideas At A Glance</b>	<b>6</b>
<b>Setting The Stage</b>	<b>18</b>
<b>60 Policy Ideas</b>	
Jobs	<b>30</b>
Social Security and Medicare	<b>108</b>
Budget	<b>124</b>
Energy	<b>136</b>
<b>Make Government Work</b>	<b>152</b>
<b>Make The Presidency Work</b>	<b>172</b>
<b>Where We Go From Here</b>	<b>182</b>

# Ideas At A Glance

\*Polling data derived from three national surveys conducted by Cohen Research Group in February and March 2016. Each survey had a sample size of at least 1,000 registered voters with a margin of error of +/- 3.1%.





## Goal 1: Create 25 million new jobs over the next 10 years

### INDIVIDUAL TAXES

---

#### Income is Income

Income from capital gains and dividends is often taxed at a lower rate than income from salary. Income from capital gains, dividends and salary should be taxed at the same rate.



**55%**  
SUPPORT

#### Limit Deductions, Lower Rates

Lower income tax rates in exchange for eliminating or capping deductions.



**61%**  
SUPPORT

### CORPORATE TAXES

---

#### Reduce Business Tax Rates

Reduce the corporate tax rate to 25% in exchange for eliminating special interest tax credits and deductions.



**62%**  
SUPPORT

#### Modernize Business Taxes

Move toward a “territorial” tax system, in which U.S. companies pay tax only on the income they earn at home.



**77%**  
SUPPORT

#### Bring the Money Home

Give companies holding assets in other countries the opportunity to bring them back home at a one-time lower tax rate, with the requirement that the returning funds be used to invest in the United States.



**76%**  
SUPPORT

## IDEAS AT A GLANCE

### ESSENTIAL TAX REFORM PRINCIPLES

#### Simplicity

Simplify the tax code so that tax returns for at least 90% of taxpayers are limited to two pages.



**75%**  
**SUPPORT**

#### Collect What is Owed

Increase enforcement of current tax laws to close the \$400 billion annual gap between legally owed taxes and taxes paid.



**74%**  
**SUPPORT**

#### No Net Tax Increase on Lower and Middle Income Families

However the code is reformed, the overall annual tax burden should not increase for lower or middle income families.



**84%**  
**SUPPORT**

#### Move Toward a Balanced Budget

At minimum, tax reform should be revenue neutral and ideally it would help reduce the federal deficit over time.



**69%**  
**SUPPORT**

### EDUCATION (K-12)

#### Universal Computer Science Education

Make computer science courses available to every middle and high school student by 2020.



**86%**  
**SUPPORT**

#### More Targeted Investment for Technical Education in K-12

Incorporate new courses such as computer programming, engineering and data analytics in K-12 curricula to better prepare graduates for the workforce.



**84%**  
**SUPPORT**

#### 21st Century Digital Infrastructure for Schools

Allocate more federal funding to ensure that all K-12 schools have the infrastructure to support 21st century learning.



**77%**  
**SUPPORT**



## EDUCATION (K-12 CONTINUED)

### New Technical Training Partnerships

Bring together businesses, high schools and community colleges to create 21st century programs of technical education and training that would allow students to earn both a high school and an associate's degree in computer science and other STEM (Science, Technology, Engineering and Math) subjects.



**83%**  
**SUPPORT**

## EDUCATION (COLLEGE)

### Incentives for College Completion

Provide new incentives for higher education institutions to focus on college completion as well as admission.



**78%**  
**SUPPORT**

### Expand Access to Online College Courses

Use online courses to deliver a high-quality, fully accredited college education at lower cost than traditional brick-and-mortar institutions.



**79%**  
**SUPPORT**

### Match Worker Skills With Employer Needs

Increase incentives for high school and college partnerships with industry in order to better match worker skills with employer needs.



**84%**  
**SUPPORT**

### New Avenues for Worker Accreditation

Create new types of accreditation beyond high school, college and graduate school degrees, to include accreditation (e.g. digital badges or micro-degrees) that recognize the acquisition of specific skills such as computer coding or leadership training.



**76%**  
**SUPPORT**

### Make Higher Education Credits Transferable

Establish standardized measures for course requirements to make it easier for students to transfer course credits among different schools.



**83%**  
**SUPPORT**

## IDEAS AT A GLANCE

### EDUCATION (COLLEGE CONTINUED)

#### Limit Student Loan Payments

Limit student loan payments by tying student's payment responsibilities to their ability to pay based on their income.



**71%**  
**SUPPORT**

### WORKFORCE DEVELOPMENT

#### Condition Public Assistance on Active Job Search

Receiving welfare or other forms of public assistance should be conditioned upon recipients actively looking for employment if they are able.



**82%**  
**SUPPORT**

#### Help the Chronically Unemployed

Require long-term unemployed persons to participate in a reemployment or vocational training program that provides the advising, skills and credentials necessary to become employed or reemployed.



**82%**  
**SUPPORT**

#### Education and Job Training for Incarcerated

Provide education and job training to people who have served time in prison so they can provide for themselves and contribute to society.



**77%**  
**SUPPORT**

#### Make Child Care More Affordable

Make child care more affordable for families by enhancing funding for early education programs such as Early Head Start and increasing funding to states to improve child care quality.



**79%**  
**SUPPORT**

### ENTREPRENEURSHIP

#### Spur Innovation by Opening Government Data for Research

The federal government produces billions of dollars worth of data and basic research every year, much of which should be made available for private sector research and development purposes.



**67%**  
**SUPPORT**

## ENTREPRENEURSHIP (CONTINUED)

### Regulatory Road Map for Entrepreneurs

Develop a regulatory “road map” website that enables entrepreneurs to view all federal, state and local regulations that may affect their businesses.



**81%**  
**SUPPORT**

### Expand Entrepreneurship by Enhancing the Community Reinvestment Act

Enhance the Community Reinvestment Act — which provides incentives for banks to meet the credit needs of people in low- and moderate-income neighborhoods — to allow more funding to be funneled to startup businesses.



**72%**  
**SUPPORT**

## INFRASTRUCTURE

### Streamline Infrastructure Approvals

To accelerate the construction of important infrastructure, the federal government should designate officials to streamline the regulatory process for infrastructure projects such as roads, bridges and highways.



**75%**  
**SUPPORT**

### Infrastructure Bank

Create a new institution (e.g. an infrastructure bank) that relies on public-private partnerships to design, build, finance, operate and maintain public infrastructure.



**62%**  
**SUPPORT**

### Highway User Fee Divided by 3

Increase the federal gas tax with all the revenues split in three equal proportions to: 1) reduce personal income taxes, 2) reduce the federal deficit and 3) provide additional funding for the Highway Trust Fund.



**63%**  
**SUPPORT**

## REGULATORY

### New Regulation In, Old Regulation Out

Whenever departments and agencies propose new regulations, require them to propose eliminating an existing regulation with comparable cost impact.



**70%**  
**SUPPORT**

IDEAS AT A GLANCE

REGULATORY (CONTINUED)

Sunset All Regulations

To prevent the accumulation of regulations that are unnecessary, counterproductive or too costly, require all regulations to sunset after 15 years, unless Congress explicitly acts to keep a particular regulation on the books.



68%  
SUPPORT

Require Judges to Act as Gatekeepers

In order to restore fairness and reliability to the American justice system, give judges more responsibility to dismiss unreasonable lawsuit claims.



81%  
SUPPORT

Would States do it Better?

The next president should undertake a comprehensive review of all major federal programs to determine if any aspects of the programs would be more efficiently and effectively handled by state or local government.



81%  
SUPPORT

Review Existing Regulations and Reduce Them by 25%

Create a bipartisan commission to review existing federal regulations with the goal of reducing them by 25%.



72%  
SUPPORT

IMMIGRATION\*

*\*Findings Conditioned Upon Caveat Of "If Border Enforcement Were Much Stronger"*

Permanent Legal Status for Illegal Immigrants

Promote a path to earned legal status for illegal immigrants in the United States who meet strict conditions such as learning English, paying back taxes and passing rigorous background checks.



73%  
SUPPORT

Mandatory Tracking of Expired Visas

Establish a mandatory tracking policy that uses technology to monitor expired visas.



82%  
SUPPORT

Expand H1-B Visas for High-Skilled Workers

Expand the H1-B visa system for high-skilled foreign workers in the U.S. and allow these workers to move freely from one employer to the next.



52%  
SUPPORT

## IMMIGRATION (CONTINUED)

### Expand Guest Worker Visa Programs

Expand seasonal or annual guest worker visa programs for lower-skilled foreign workers in sectors such as agriculture.



**63%**  
**SUPPORT**



## Goal 2: Secure Social Security and Medicare for the next 75 years

## SOCIAL SECURITY

### Increase Revenues Coming Into Social Security

No Labels offered respondents a choice of four different reform packages, each of which met the standard of securing the program for the next 75 years. The following package received broad support from policymakers and the public.

1. Raise the annual limit on earnings subject to the payroll tax from \$118,500 to \$240,000.
2. Increase the payroll tax rate, with employers and employees each paying an additional 1% of salaries.
3. Slow the growth of future benefits for the top 20% of beneficiaries.
4. Reform the Social Security disability system by tightening eligibility requirements and reducing fraud.



**63%**  
**SUPPORT**

## MEDICARE

### More Funding for Chronic Disease Treatment

Increase the portion of the Department of Health and Human Services (HHS) research budget focused on chronic disease conditions to a level similar to that of life science companies (16% on average).



**78%**  
**SUPPORT**

## IDEAS AT A GLANCE

### MEDICARE (CONTINUED)

#### Allow Medicare to Negotiate with Drug Companies

Allow Medicare to negotiate the price it pays for medicines (i.e. competitive bidding), which is already allowed for Medicaid and the Department of Veterans Affairs.



**82%**  
**SUPPORT**

#### Pay for Quality, Not Quantity of Service

Expand existing pilot programs for establishing Accountable Care Organizations and bundled payments for Medicare and Medicaid, in which providers are paid for the quality instead of the quantity of care.



**63%**  
**SUPPORT**

#### Allow Nurse Practitioners to do More

To both increase access to medical care and reduce costs, use payment incentives and suggest best practices to accelerate the trend of nurse practitioners and other mid-level health care workers providing a wider scope of medical services, such as writing prescriptions.



**69%**  
**SUPPORT**

#### More Training for Mid-level Health Pros

Increase funding for scholarships, loans and other education and training incentives for mid-level and other health-care workers, such as nurse practitioners, diagnostic technicians and occupational and physical therapists.



**70%**  
**SUPPORT**

#### More Telemedicine

Expand the usage of telemedicine, where doctors can diagnose and treat patients remotely using web videos and other telecommunications technology.



**65%**  
**SUPPORT**

#### Reduce Defensive Medicine

Institute reforms to reduce defensive medicine, which refers to the practice of a doctor ordering unnecessary tests as protection from future legal action.



**74%**  
**SUPPORT**

## MEDICARE (CONTINUED)

### Allow Health Insurance Purchases Across State Lines\*

*\*Poll results from February 2014 Rasmussen Reports survey*

Currently, consumers can buy policies only from insurers licensed by the states where they live and state insurance markets are sometimes dominated by only one or two insurers. Allow citizens to buy health insurance plans across state lines.



**77%**  
**SUPPORT**



## Goal 3: Balance the federal budget by 2030

## BUDGET

### Fiscal Responsibility Act

Prohibit Congress from passing budgets that would increase the national debt as a share of the overall economy, except in cases of war, disaster or recession.



**80%**  
**SUPPORT**

### Two-Year Budgets

Implement a biennial budget process, allowing Congress to spend one year on appropriations and freeing up additional time for oversight activities.



**56%**  
**SUPPORT**

### No Budget, No Pay

If the congressional appropriations (spending) process is not completed by the start of a new federal fiscal year, congressional pay ceases as of October 1, and isn't restored until appropriations are completed.



**81%**  
**SUPPORT**

IDEAS AT A GLANCE

BUDGET (CONTINUED)

Buy in Bulk

Require that the federal government buy its goods and services in bulk at lower costs rather than agencies buying goods and services separately.



82%  
SUPPORT

Capital Budget to Plan for the Long Term

The federal government budget should be separated into two parts — a capital budget for long-term investments such as research and infrastructure and an operating budget for annual expenses.



70%  
SUPPORT

Sell Underused Government Assets Such as Real Estate

Eliminate regulations that limit the sale of valuable but underused federal government assets and buildings.



70%  
SUPPORT



Goal 4: Make America energy secure by 2024

FOREIGN OIL DEPENDENCE

Use Government Purchasing to Transition to Cleaner Fuels

Government agencies that are large buyers of vehicles — such as the Department of Defense and the U.S. Postal Service — should prioritize the purchase of vehicles that run on natural gas or electricity.



73%  
SUPPORT

Raise Fuel Efficiency Standards

In order to end U.S. dependence on foreign oil, continue to raise fuel standards for cars and trucks.



65%  
SUPPORT



## FOREIGN OIL DEPENDENCE (CONTINUED)

### Highway Fee Divided by 3 (also featured in infrastructure section)

Increase the federal gas tax with all the revenues split in three equal proportions to: 1) reduce personal income taxes, 2) reduce the federal deficit and 3) provide additional funding for the Highway Trust Fund. This idea is included in the infrastructure section too, but a gas tax increase would also enhance energy security by increasing the cost of oil-based fuels, which would accelerate the transition to other transportation fuels.



**63%**  
**SUPPORT**

## SUSTAINABLE ENERGY AND ELECTRICITY

### Use Government Purchasing to Encourage Efficiency

Use the government's purchasing power — which can shape entire markets — to promote energy efficiency while protecting the environment.



**75%**  
**SUPPORT**

### Facilitate Transition to More Sustainable, Less Polluting Power

Change incentives in the energy marketplace to encourage utilities to invest in more sustainable power generation such as nuclear, natural gas, renewables and efficiency.



**80%**  
**SUPPORT**

## GRID SECURITY

### Create an Energy and Environmental Security Trust Fund

Use royalties from oil and gas drilling on public lands to fund an Energy and Environmental Security Trust Fund that invests in basic research to improve energy security (e.g. new nuclear reactor designs, power storage, advanced electrical grid technology, etc.).



**72%**  
**SUPPORT**

### Grid Modernization Initiative

In order to protect the U.S. electric grid from cyber attack and ensure a smart electric grid is deployed across the U.S., develop robust requirements and incentives to enable utilities to meet stringent standards in cybersecurity and digital technologies.



**83%**  
**SUPPORT**

SETTING THE STAGE

# No Labels And The *National Strategic Agenda*



Since we launched in 2010, No Labels has had a distinct focus:

Bringing America's leaders together to solve big problems.

With growing support among citizens, on college campuses and on Capitol Hill, No Labels is building a movement for the millions of Americans who are tired of a political system that doesn't work and that is increasingly dominated by extremes in both parties. We are the voice for the vast majority of citizens who want common sense solutions to problems that matter and who want less talking and more doing from our leaders.

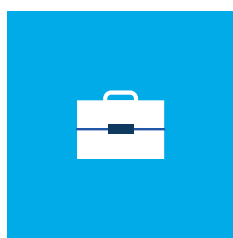
Americans are angry and anxious about the future. We believe our leaders owe us a real plan to deal with our nation's problems and to restore the sense of can-do optimism that has always been one of our country's most valuable assets.

To solve a problem — any problem — leaders first need to unite behind goals, and then commit to working together to achieve those goals.

Agreeing to shared bipartisan goals has always been the precursor to progress in Washington, whether it was Republican President Ronald Reagan and Democratic House Speaker Tip O'Neill fixing the tax code and Social Security in the 1980s or Democratic President Bill Clinton and Republican House Speaker Newt Gingrich balancing the budget in the 1990s.

No Labels believes this is the only way for our next president to make meaningful progress with a contentious Congress.

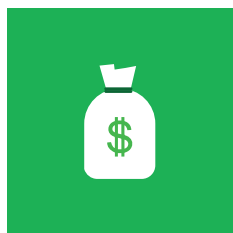
To identify broad bipartisan goals for America, No Labels did extensive national polling to determine where the American people want Washington to get to work. Drawing on this feedback, we created a *National Strategic Agenda* focused on four goals:



Create 25 million new jobs over the next 10 years



Secure Social Security and Medicare for the next 75 years



Balance the federal budget by 2030



Make America energy secure by 2024

As of April 2016, almost 80 House and Senate members have signed congressional resolutions calling for the creation of a *National Strategic Agenda* focused on these goals.

No Labels is also working to ensure our next president — whoever it is — endorses the four goals of the *National Strategic Agenda* and agrees to get to work on them upon entering office.

But rallying behind bipartisan goals is just the start.

Any meaningful agenda must answer the crucial question:

How can we achieve those goals with policies that make sense, that our country can afford and that the American people can accept?

The ***No Labels Policy Playbook For America's Next President*** aims to answer that question.

This booklet is both a road map for reaching the swing voters who will decide the 2016 election and a blueprint for moving specific policies that advance the *National Strategic Agenda* goals in early 2017.



SETTING THE STAGE

# *No Labels Policy Playbook for America's Next President:*

Delivering Power to and Policies From the People



With the *National Strategic Agenda*, No Labels has identified four goals that resonate with Americans of every age, station and political affiliation — goals that will help build the strong, confident nation we all want.

The *National Strategic Agenda* tells our leaders where the people want our nation to go. The ***No Labels Policy Playbook For America's Next President*** shows how we can get there.

## GOOD POLITICS AND GOOD POLICY

For the past two years, No Labels has worked diligently to create a playbook for our next president that represents both good politics and good policy.

Working with our pro-bono partner Deloitte Consulting, No Labels conducted almost 20 policy workshops featuring policy experts, former senior government and military officials, and business and community leaders from across the political spectrum. Along the way we researched, debated and discussed hundreds of discrete policy proposals in areas including tax, budget, health care, Social Security and Medicare, investment and innovation, energy, education and regulation.

If an idea was deemed good policy in our workshops — meaning our experts thought it could make progress against one or more of the four goals in the *National Strategic Agenda* — No Labels took it straight to the people.

In an effort to find the sweet spot where good policy and good politics intersect, No Labels once again conducted national polling to survey the American people's feelings on policy options and strategic choices facing the country.

The end result is the **No Labels Policy Playbook For America's Next President**, featuring 60 ideas, the vast majority of which poll above 60% overall and at least 50% among Democrats, Republicans and independents. The few ideas in the playbook that don't reach this ambitious polling threshold are included because our policy experts believed them essential to reaching one of the four goals. Some of these are new ideas, while others build upon or expand existing government efforts.

This policy playbook, if implemented in its entirety, wouldn't necessarily get America all the way there on each of the four *National Strategic Agenda* goals. But it would represent a substantial — even historic — step forward.

Of course, no single policy idea exists in isolation. Pull one policy lever and it affects many others. For example, if America enacted a smarter immigration policy that protected our borders and preserved our heritage as a nation of immigrants, we could grow our labor force and enhance our pool of high-skilled talent. This would lead to the potential for greater innovation and ultimately, more jobs. We could also expand the number of workers paying into safety net programs at a time when we desperately need more revenues to pay for increasing numbers of beneficiaries. In turn, easing these entitlement burdens goes a long way toward helping us bring balance to the budget.

So the **No Labels Policy Playbook For America's Next President** was created with this interconnectedness in mind, with ideas that are complementary and can often help make progress against multiple *National Strategic Agenda* goals at once.

SETTING THE STAGE

# Strong Economy, Strong Country





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In the two years of consultation leading to this document, we were led time after time to a single core proposition:

*Without a healthy economy that is growing rapidly and expanding opportunity for all Americans, we cannot achieve our goals.*

*Therefore, our next president and Congress should focus, above all, on policies that will ignite the American economy.*

Consider for a moment what would happen if the U.S. economy grew just one percentage point faster between now and 2030:

- The economy would be nearly \$3 trillion larger.
- Personal income would be more than \$2.5 trillion higher.
- The government would collect more than \$5 trillion in additional revenues.

Imagine how much easier it would be to achieve the goals of the *National Strategic Agenda* — to create jobs, shore up Social Security and Medicare, balance the budget and make America energy secure — against this backdrop of a thriving economy.

It sounds blindingly obvious. And yet, there are so many things that Washington both does and fails to do that create headwinds for America's economy, our businesses and our workers.

SETTING THE STAGE

# Three Megatrends Shaping Our World

As No Labels built this agenda, we were aware of the need to craft policies that are responsive to a rapidly changing country and changing world.

Three megatrends are key.



---

## Globalization

Globalization has brought most nations — and nearly two billion new workers — into world markets. Although a more interconnected global economy has undoubtedly been good for America, the benefits of global trade haven't been evenly distributed, with some communities and workers being hit particularly hard. Our leaders need to ensure America stays open to the world while also working to ensure a more widespread distribution of benefits from trade.

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## Technology

Technology is transforming modes of production and communication, generating new economic sectors and expanding consumer choice while changing the kinds of skills employers need.

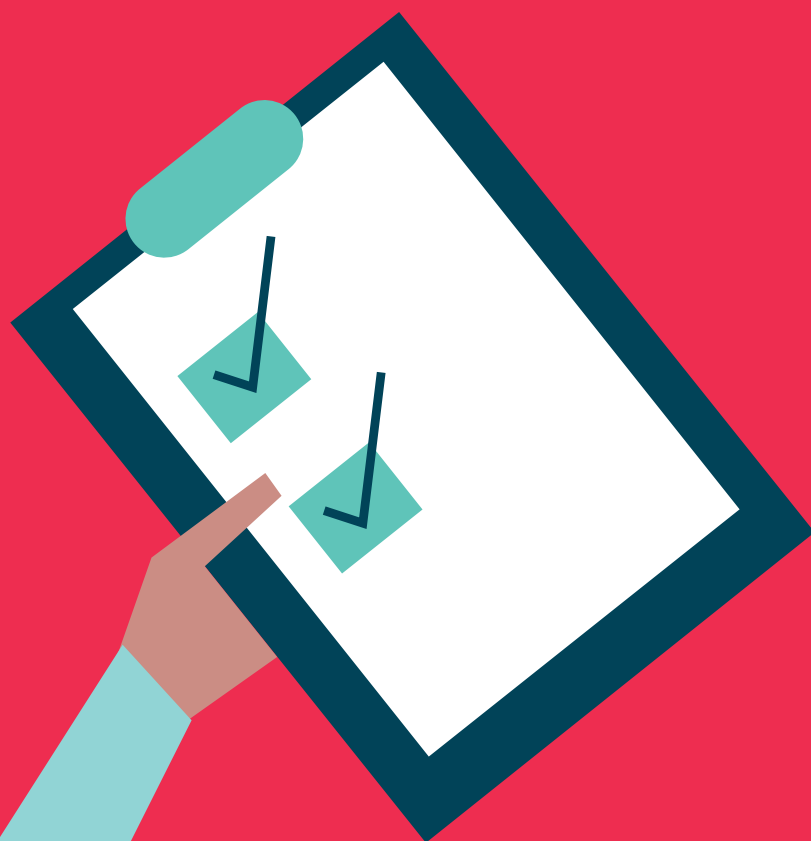
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## Demography

Demography is both diversifying and aging the U.S. population. The growth of our labor force is projected to slow sharply in the next decade and within just a few years the majority of new entrants into the labor force will be immigrants or racial and ethnic minorities. America is better positioned to benefit from these trends than are most highly developed nations. But success is far from assured. Smart and strategic government policies are essential to build a strong economy and a healthy country for the 21st century.

SETTING THE STAGE

# Policy Principles



The 60 ideas in the ***No Labels Policy Playbook For America's Next President*** primarily do one of two things:

1

**REMOVE BARRIERS TO ECONOMIC GROWTH**

(e.g. flaws in the tax code, regulatory inefficiency, long-term deficits); or

2

**PROVIDE INVESTMENTS OR INCENTIVES TO INCREASE ECONOMIC GROWTH**

(e.g. infrastructure investments, STEM education).

Although No Labels screened hundreds of different policy ideas for inclusion in this document, these ideas certainly don't represent the entire universe of options available to meet the four *National Strategic Agenda* goals.

We started with a belief that Congress and the next president should focus, above all, on policies that can ignite the American economy. We also sought to find those policies that hit the sweet spot where good politics and good policy intersect.

This answers the question of how ideas were chosen. But to answer the question of why ideas were chosen requires an understanding of what No Labels believes about how our economy and society works — an understanding of the core principles that naturally led us to suggest certain policies and discard others.

Therefore, No Labels opens each goal section in this book by listing the key policy principles that helped inform individual policy choices.

GOAL ONE

# Create 25 Million New Jobs Over The Next 10 Years





The Great Recession of 2008-2009 was so deep and damaging that total employment in the U.S. did not return to its pre-recession peak until May 2014. However, the American job market is in better shape than people think, with the U.S. unemployment rate dipping below 5% in 2016 and wages growing at the fastest rate in six years.

But our next president and Congress can't get complacent because there are still far too many American families who don't feel an economic recovery. Though the top-line unemployment rate is low, there are still millions of people who are working part time when they'd rather be working full time, who are working low paying jobs when they're qualified for higher-paying jobs or who have simply given up looking for work.

Solving this problem will require a more creative and flexible response from the U.S. government. Just decreasing taxes or increasing spending — which are often the go-to policy options for the right and left — won't cut it.

It's time for policymakers to treat this problem with the urgency it deserves, and to commit to helping create 25 million jobs over the next decade.





# Policy Principles

No Labels' policies on jobs and the economy spring from an assumption that:

- A strong middle class equals a strong economy
- A first-class economy requires a first-class educational system and infrastructure
- More legal immigration is good for America
- Countries that embrace and advance science and technology will be the most prosperous countries in the 21st century
- To encourage more investment in America, our tax and regulatory systems must be more competitive with other countries around the world
- Entrepreneurs fuel new job growth in America. They need to be empowered to invent, innovate and to create new technologies



# America's Job Problem

In Three Charts

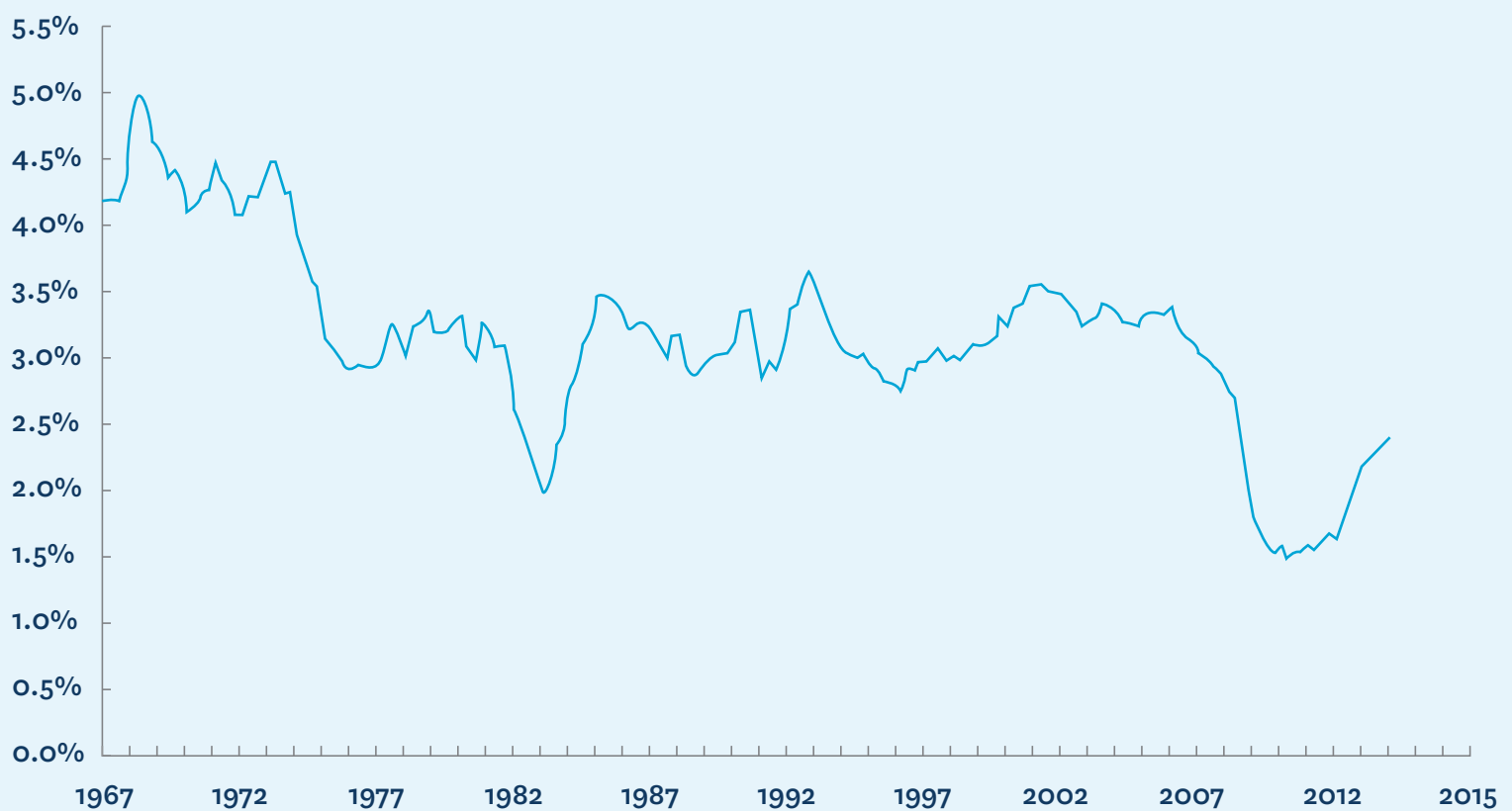
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1

# The Economy Isn't Growing Fast Enough

Annual U.S. GDP Growth  
(10 year moving average)



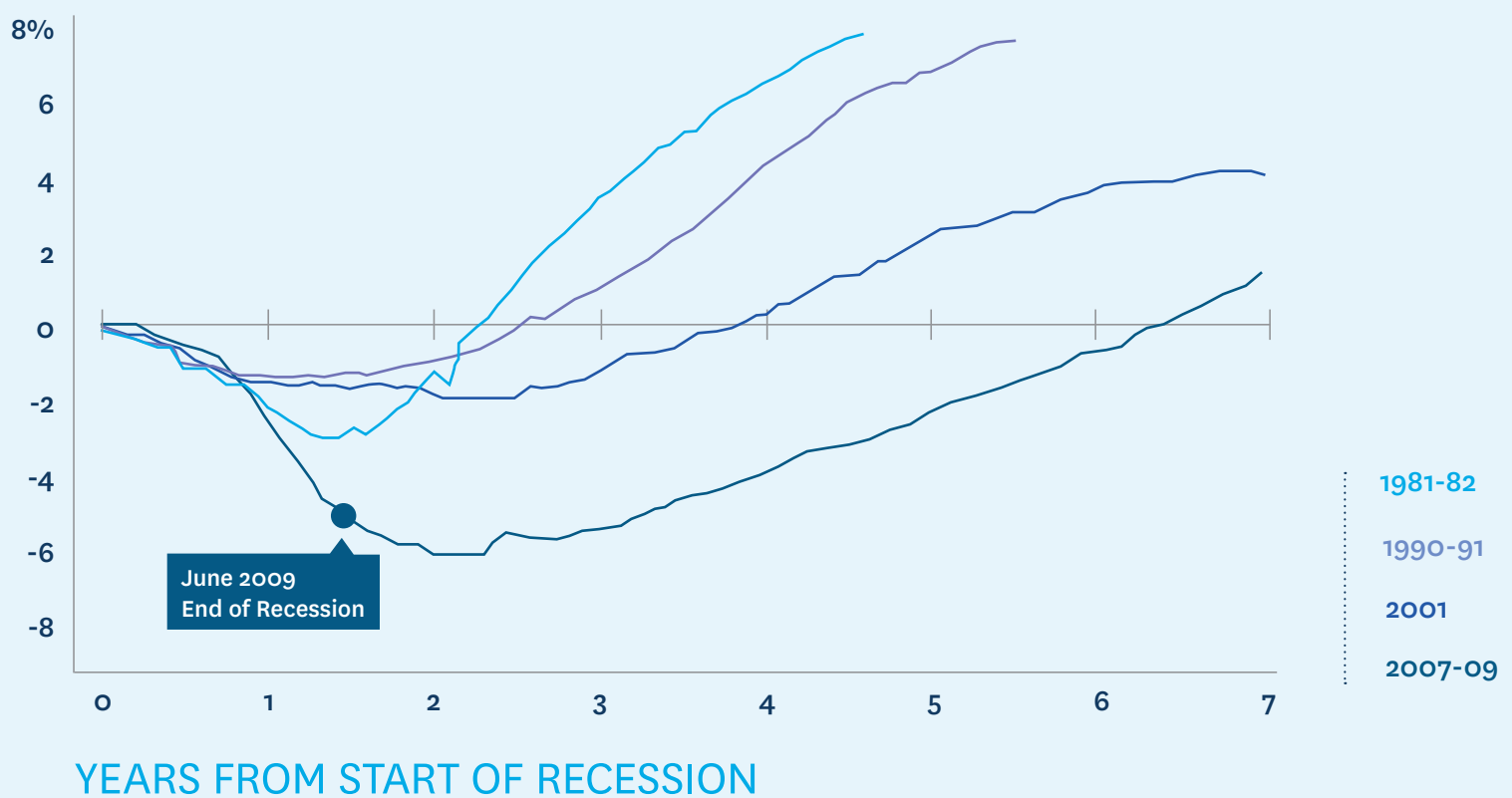
Source: Bureau of Economic Analysis Data compiled by iStock Analyst

## 2

# Jobs Go And They Don't Come Back

THE U.S. HAS HAD FOUR RECESSIONS SINCE THE EARLY 1980S.  
AFTER EACH ONE, IT HAS TAKEN LONGER FOR LOST JOBS TO RETURN.

## % Change in Nonfarm Payroll Employment Since Start of Recession



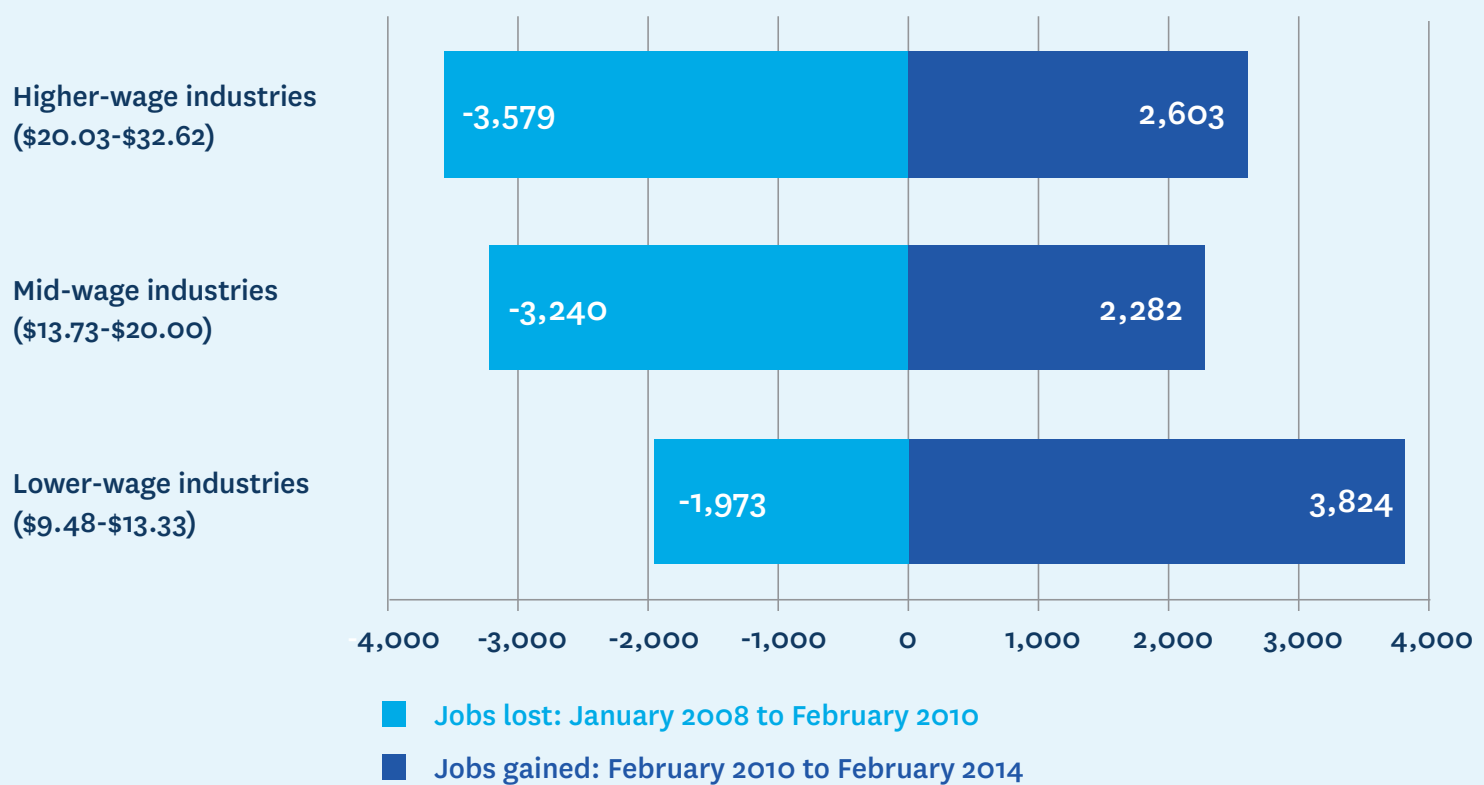
Source: Bureau of Labor Statistics Data compiled by the Center on Budget and Policy Priorities



3

## There Aren't Enough Good-Paying Jobs

MIDDLE-CLASS INCOMES HAVE STAGNATED, PARTLY BECAUSE MILLIONS OF GOOD-PAYING MANUFACTURING JOBS HAVE BEEN REPLACED BY LOWER-PAYING SERVICE JOBS.



Source: National Employment Law Project

---

# A number of headwinds are slowing job creation and economic growth in America, including:



## Taxes

A complicated and uncompetitive tax code



## Education

An education system that is too expensive and fails to train students for the jobs of tomorrow



## Workforce

Historically low workforce participation



## Entrepreneurship

Declining rates of entrepreneurship



## Infrastructure

Lack of investment in innovation and infrastructure



## Regulatory

An overly burdensome regulatory system



## Immigration

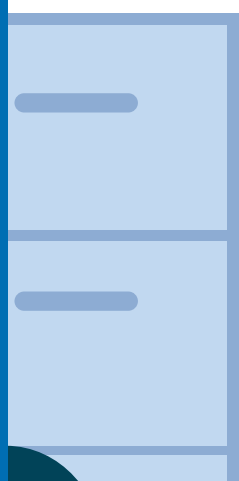
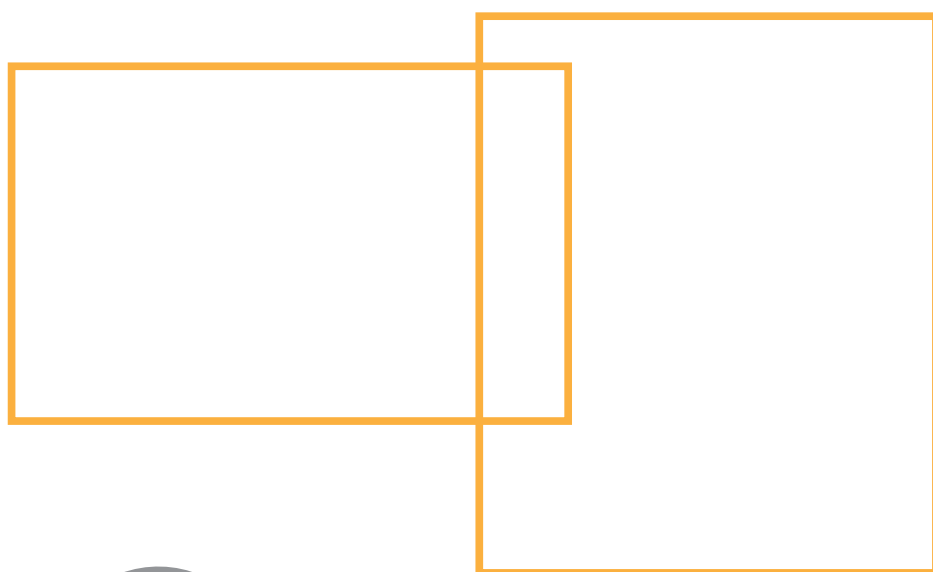
A broken immigration system

JOBS: TAXES

JOBS

# 1 Taxes





# The Basics

## How The Money Comes In

**\$3 Trillion**

FEDERAL GOVERNMENT TAX  
REVENUES IN 2014

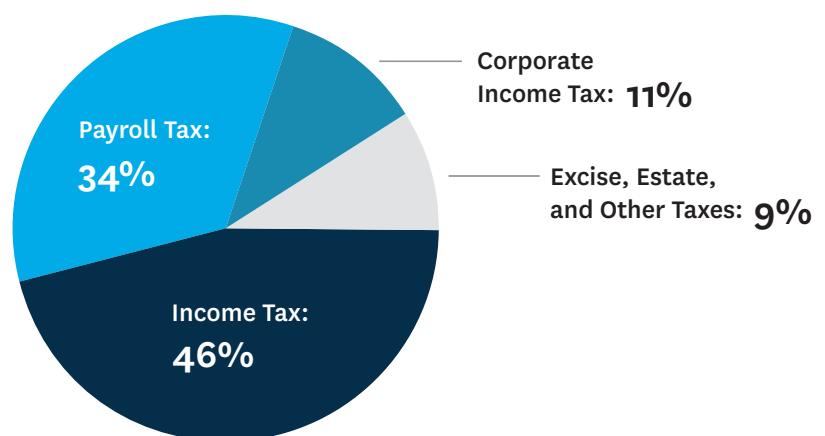
**\$3.5 Trillion**

FEDERAL SPENDING IN 2014

**\$500 Billion**

2014 DEFICIT

### Sources of Federal Tax Revenue, 2014



Note: "Other Taxes" category includes profits on assets held by the Federal Reserve.

Source: Office of Management and Budget



## \$1.4 Trillion

FEDERAL GOVERNMENT TAX  
REVENUE FROM INDIVIDUAL  
INCOME TAX IN 2014

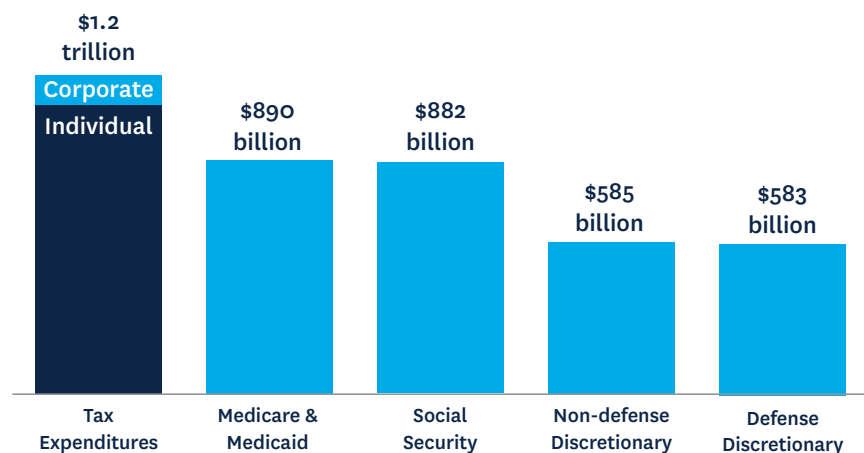
## \$1.2 Trillion

VALUE OF FEDERAL TAX  
EXPENDITURES IN 2014\*

\*Tax expenditures are subsidies delivered through the tax code such as the deductions for mortgage interest and state and local income taxes. Tax expenditures are effectively a form of government spending.

### Tax Expenditures Are Very Costly

Tax expenditures vs. selected major program expenditures, 2015



Notes: Tax expenditure estimates do not account for interaction effects and do not include associated spending (\$161 billion), effects on excise and payroll receipts (\$128 billion), or "tax extenders" made permanent or extended retroactively at the end of 2015.

Source: Office of Management and Budget

## The Upshot

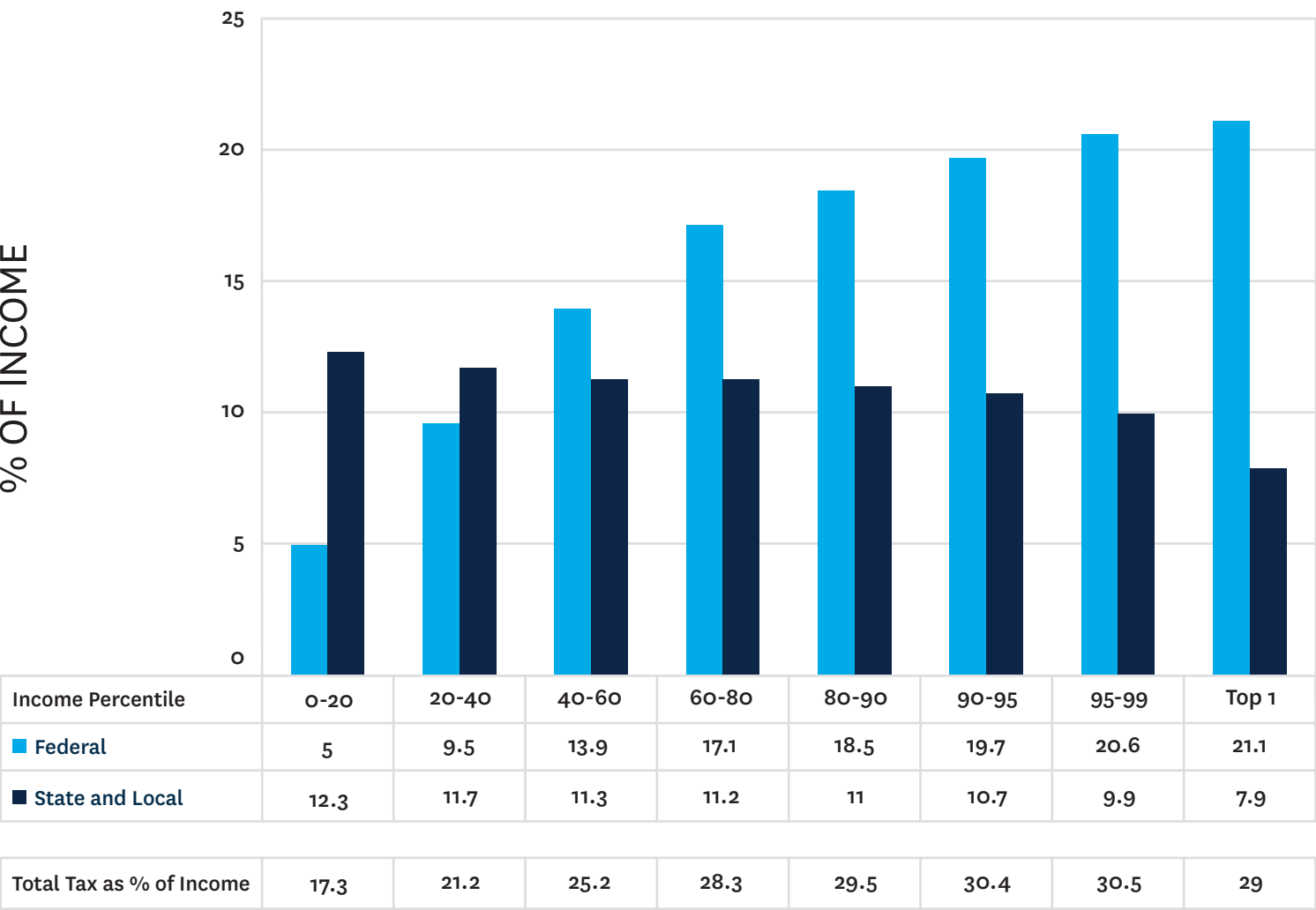
The amount of tax expenditures delivered annually in the U.S. is almost as much as all federal government revenue from the income tax.

# The Basics

## Who Pays What

### Taxes As A Percentage of Income

STATE, LOCAL AND FEDERAL TAXES BY INCOME GROUP



Source: Washington Post



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## The Upshot

Americans on average pay anywhere from 17-30% of their income in taxes, with lower income individuals paying a lower share of their income in federal income taxes and a higher share in state and local taxes. It's the opposite for higher income individuals.

# Problem

For both individuals and businesses, the U.S. tax code is:

## Complicated

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3X

The number of words in the U.S. Tax Code has more than tripled since 1975.

.....

13 hours

The time an average American spends doing taxes each year.

## Cumbersome

---

40 hours

The number of hours the majority of small businesses spend complying with federal taxes each year.

.....

50%

The percentage of businesses that spend \$5,000 or more annually on the administration of federal taxes.



# Uncompetitive

High corporate taxes diminish investment and job creation in the countries where they occur. But by almost any measure, U.S. corporate taxes are higher than in other countries.

39.1%

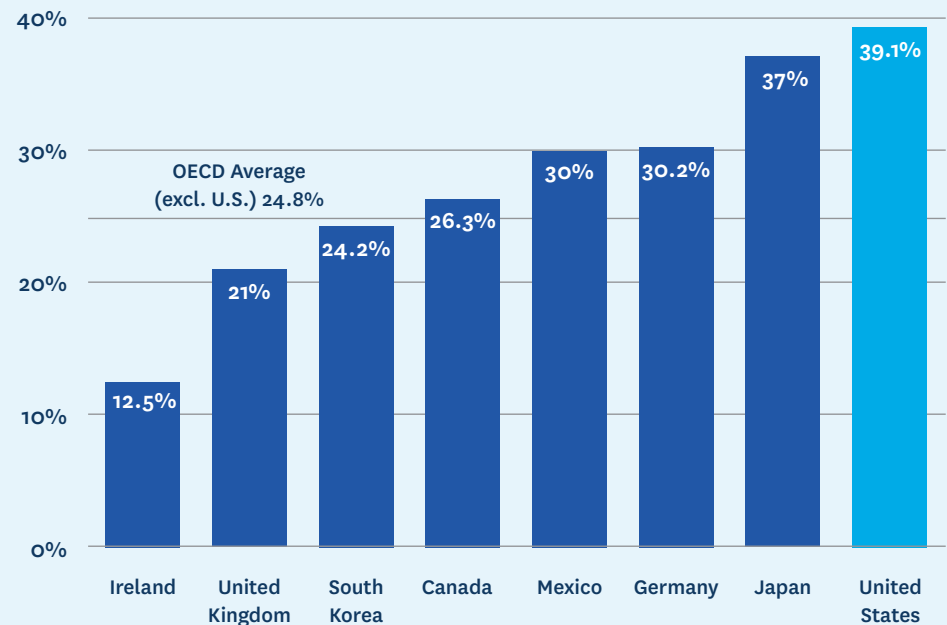
The U.S. total corporate tax rate, the highest in the developed world.

27.9%

The U.S. average effective tax rate (what a company typically pays after deductions, credits and other measures), the second highest among the 34 countries in the Organization for Economic Cooperation and Development (OECD).

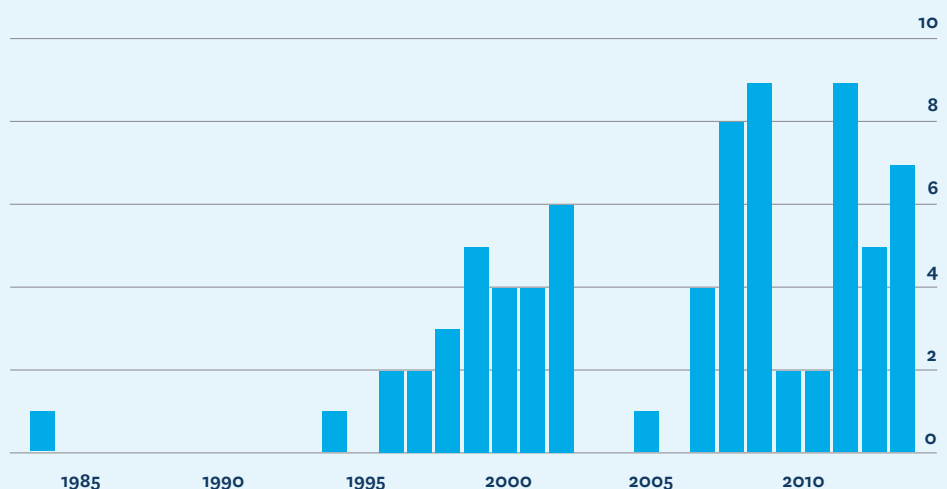
2X

Twice as many U.S. companies have done a tax inversion — a transaction where companies move to a foreign country to trim their U.S. tax burden — in the last 10 years than in the 20 years prior.



Source: Heritage Foundation

## U.S. Corporate Tax Inversions Per Year



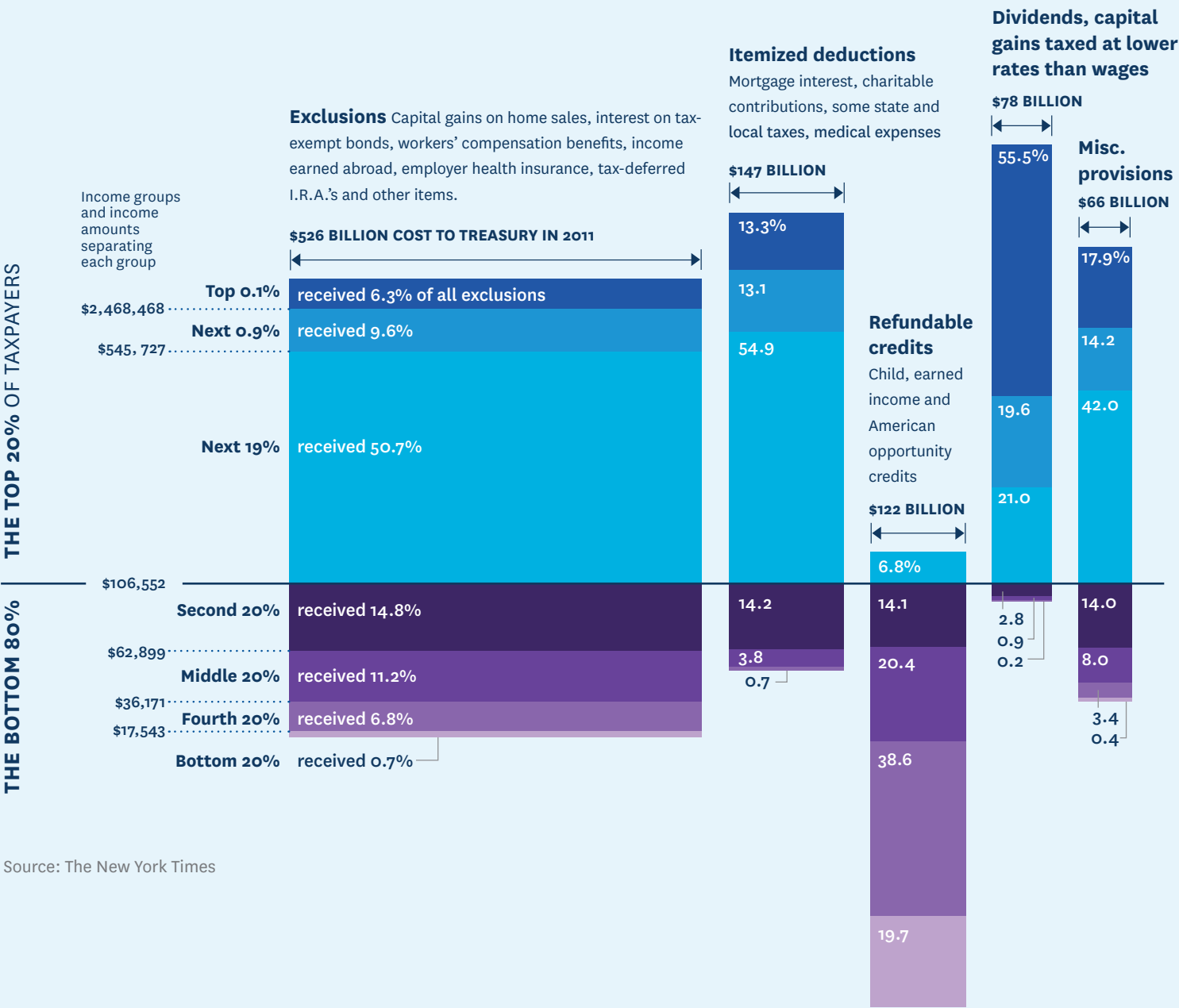
Data: Congressional Research Service

# Unfair

MOST OF THE BENEFITS FROM TAX EXPENDITURES (DEDUCTIONS, CREDITS ETC.)  
ACCRUE TO UPPER INCOME INDIVIDUALS AND CORPORATIONS.

## Who Gains Most From Tax Breaks

The five largest kinds of tax breaks in 2011, broken down by the distribution of benefits to various income groups:



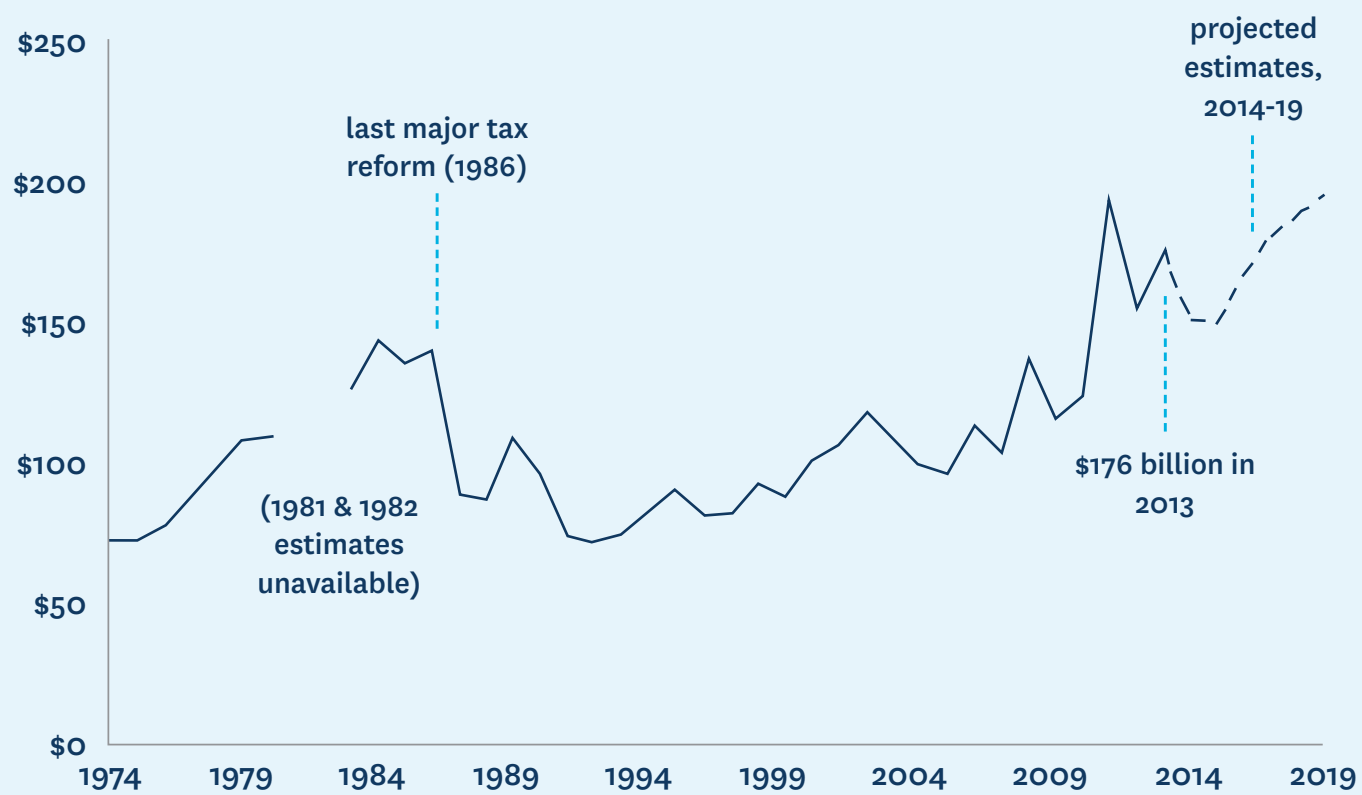
Source: The New York Times





## Cost of Corporate Tax Breaks

(estimated billions of 2015 dollars)



Source: Office of Management and Budget National Priorities Project

# Solve

## Clean out the Code





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No Labels asked the American people to imagine that the U.S. tax code is about to be completely rewritten, and to choose from among eight different priorities to guide a reform effort. The single most popular answer — more than twice as popular as any other answer — was the creation of:

“A tax system that is simple and easy to understand.”

Congress has made over 15,000 changes to tax laws since the last comprehensive tax reform in 1986.

Therefore, our next president and Congress should pass a tax reform with the goal of radical simplification, in which virtually all deductions, credits and other special interest loopholes are eliminated.

Individual and corporate taxes must be addressed at the same time for reasons of both fairness and economic competitiveness. For example, 53% of all business income is taxed through the individual code making it difficult to reform one part of the code without adversely affecting other parts.

# Individual Taxes

To make the tax code simpler and fairer, any individual tax reform should have at least two key components.

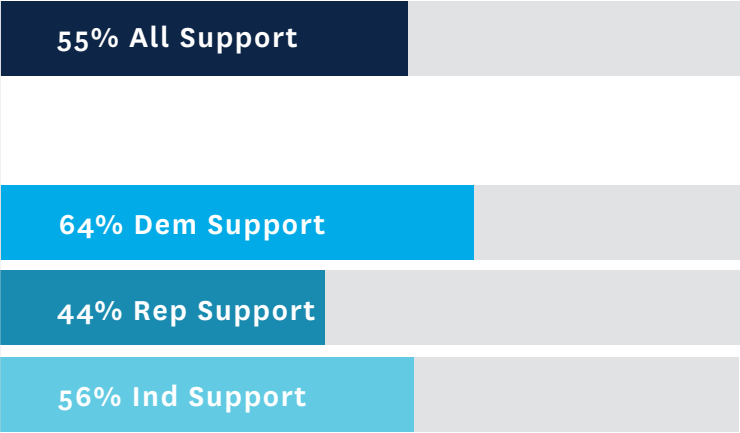


IDEA 1

## Income is Income

Income from capital gains and dividends is often taxed at a lower rate than income from salary. Income from capital gains, dividends and salary should be taxed at the same rate.

Public Support





## IDEA 2

# Limit Deductions, Lower Rates

Tax rates can only be responsibly reduced by eliminating or capping some of the Big Six tax expenditures, which according to the Congressional Joint Committee on Taxation, will cost almost \$750 billion annually by 2018:

- **Charitable deductions**  
\$50.1 billion
- **State, local and personal property tax**  
\$71.7 billion
- **Mortgage interest and residential property tax**  
\$130.2 billion
- **Employer-provided health care**  
\$159.6 billion
- **Keogh, defined benefit and defined contribution plans**  
\$202.7 billion
- **Reduced rates on capital gains (including home sales) and dividends**  
\$134.8 billion

One of the most compelling ideas to limit tax expenditures comes from Harvard professor Martin Feldstein. He suggests capping the reduction in tax liabilities that people can get from these tax expenditures to a certain percentage of income. This approach would significantly simplify tax filing as many taxpayers would shift from itemizing deductions to using a standard deduction.

Feldstein also suggests small exceptions to this cap, such as retaining the charitable contribution deduction and exempting the first \$8,000 of employer paid health insurance premiums. Feldstein's approach could avoid a politically fraught fight in Congress over which specific tax expenditures to keep, reduce or eliminate.

## Public support for limiting deductions to lower rates

61% All Support

64% Dem Support

62% Rep Support

55% Ind Support

# Corporate Taxes

To make the corporate tax code more competitive and to encourage investment in the U.S., corporate tax reform should feature the following components.

IDEA 3

## Reduce Business Tax Rates

Reduce the corporate tax rate to a level (e.g. 25%) that makes America more competitive with other countries. Pay for this reduction by eliminating special interest tax credits and deductions.

Public Support

62% All Support

55% Dem Support

71% Rep Support

61% Ind Support





## IDEA 4

## Modernize Business Taxes

Right now, the U.S. tax system incentivizes companies to keep profits overseas by putting a double tax on the foreign earnings of U.S. companies when they are brought back to the United States. In order to allow U.S. companies to better compete with foreign companies, the U.S. should move toward a “territorial” tax system, in which U.S. companies pay tax only on the income they earn at home. Modernizing our current corporate tax system will encourage American companies to bring their earnings home, invest more in the American economy and put more Americans back to work.

**Public support for making U.S. business taxes more consistent with the rest of the world**

77% All Support

79% Dem Support

79% Rep Support

73% Ind Support

## IDEA 5

## Bring the Money Home

The 500 largest American companies hold over \$2 trillion in assets overseas. Give companies the opportunity to bring these assets back home at a one-time lower tax rate, with the requirement that the returning funds be used to invest in the United States.

**Public Support**

76% All Support

75% Dem Support

82% Rep Support

70% Ind Support

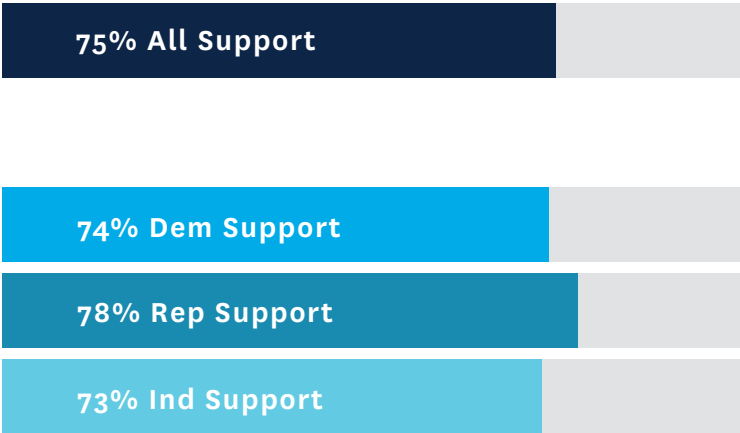
# Essential Tax Reform Principles

IDEA 6

## Simplicity

Simplify the tax code so that tax returns for at least 90% of taxpayers are limited to two pages.

Public Support

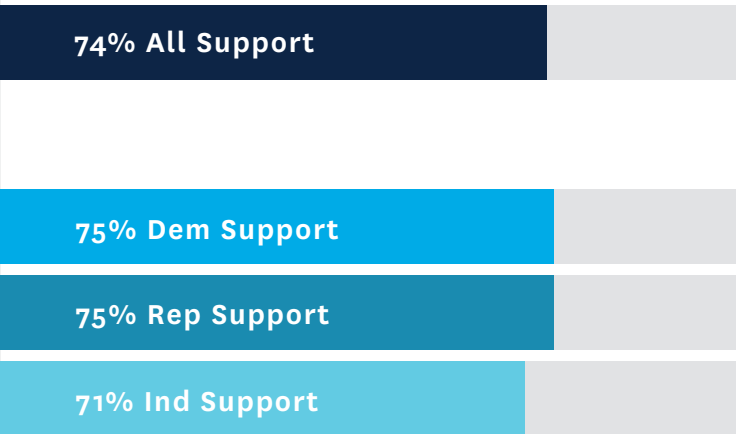


IDEA 7

## Collect What is Owed

Increase enforcement of current tax laws to close the \$400 billion annual gap between legally owed taxes and taxes paid. Appoint a special inspector general — essentially a “collections czar” — who will report to Congress quarterly on the collection of all monies owed to the federal government with the goal of reducing errors in payments, fraud, and securing all lawful tax and other payments.

Public support for closing the tax gap





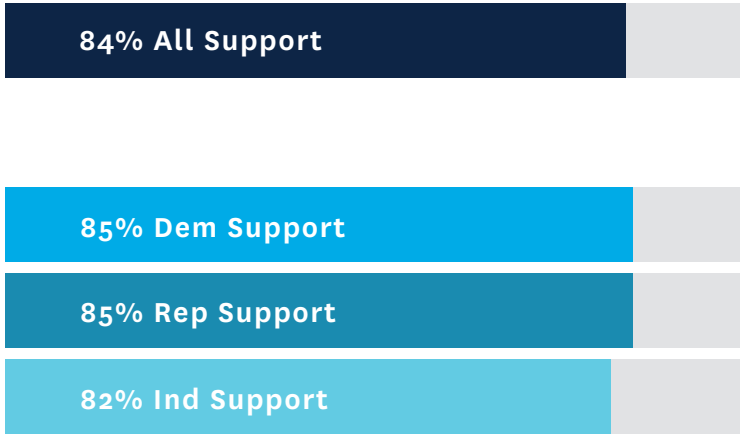


IDEA 8

# No Net Tax Increase on Lower and Middle Income Families

However the code is reformed, the overall annual tax burden should not increase for lower or middle income families.

Public Support

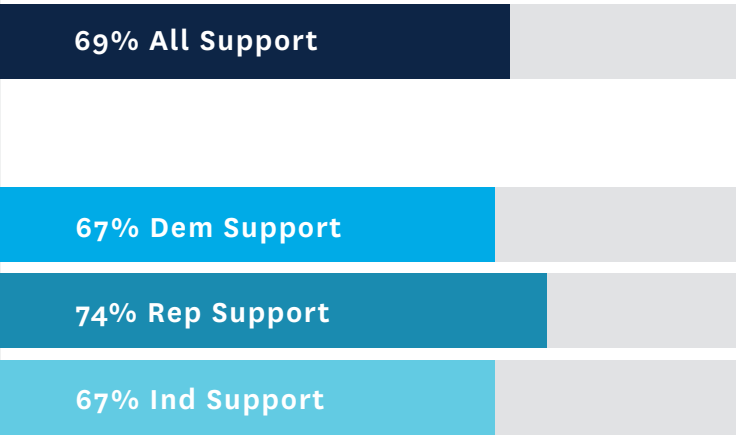


IDEA 9

# Move Toward a Balanced Budget

At minimum, tax reform should be revenue neutral and ideally it would help reduce the federal deficit over time.

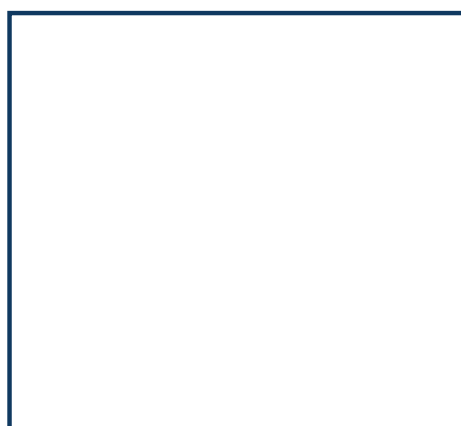
Public Support



JOBS: EDUCATION

JOBS

# 2 Education



# Problem

K-12

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The U.S. isn't sufficiently preparing our students for the job opportunities of the present or the future.



Over the past 10 years, growth in STEM (Science, Technology, Engineering and Mathematics) jobs was three times as fast as growth in non-STEM jobs.

#### AND YET:

- Among OECD countries, U.S. high school students rank 27th in math and 20th in science.
- 4% of U.S. bachelor's degrees were awarded in engineering, compared with 31% in China.
- Most K-12 students aren't measuring up.

PERCENTAGE OF STUDENTS AT OR ABOVE PROFICIENT			
	Grade 4	Grade 8	Grade 12
CIVICS	27% 2010	23% 2014	24% 2010
ECONOMICS	—	—	42% 2012
GEOGRAPHY	21% 2010	27% 2014	20% 2010
MATHEMATICS	40% 2015	33% 2015	26% 2013
READING	36% 2015	34% 2015	38% 2013
SCIENCE	—	32% 2011	—
U.S. HISTORY	20% 2010	18% 2014	12% 2010
WRITING	—	27% 2011	27% 2011

Source: nationsreportcard.gov

JOBS: EDUCATION

# Solve

K-12

★ A ★  
B ★ C





## IDEA 10

## Universal Computer Science Education

Make computer science courses available to every middle and high school student by 2020. Many local efforts and partnerships are underway to make this possible. But to bring computer education to every school, these bottom-up efforts will need support from the federal government.

### Public Support

86% All Support

88% Dem Support

87% Rep Support

82% Ind Support

## IDEA 11

## More Targeted Investment for Technical Education in K-12

Incorporate new courses such as computer programming, engineering and data analytics in K-12 curricula to better prepare graduates for the workforce. The federal government can help by providing additional funding for STEM teacher training programs and creating STEM Innovation Networks by awarding grants to school districts in partnership with colleges to transform STEM education in K-12 schools.

### Public Support

84% All Support

89% Dem Support

83% Rep Support

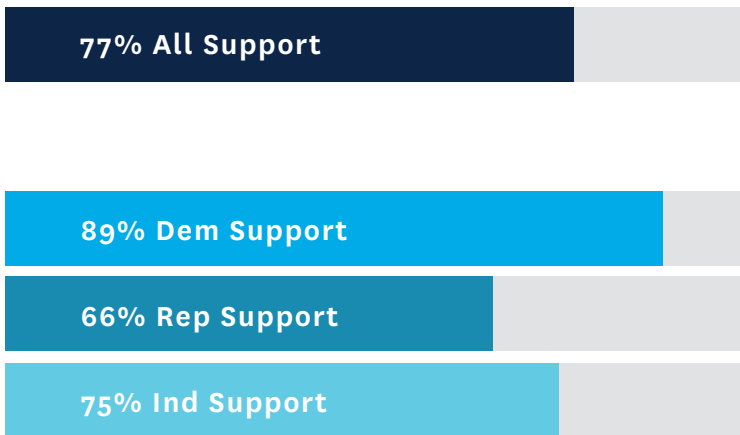
78% Ind Support

IDEA 12

# 21st Century Digital Infrastructure for Schools

Former U.S. Education Secretary Arne Duncan has remarked that “most schools have about as much Internet bandwidth as your house,” describing it as “educationally unsound and morally unacceptable.” Allocate more federal funding to ensure that all K-12 schools have the infrastructure to support 21st century learning (e.g. broadband access, technology-savvy teachers and adequate computers).

Public Support

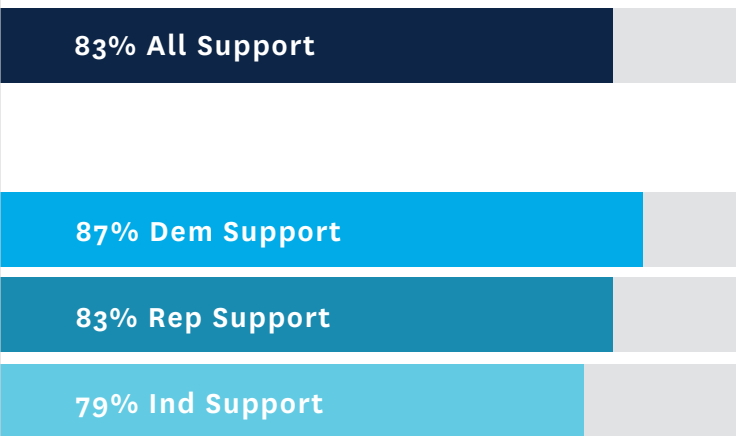


IDEA 13

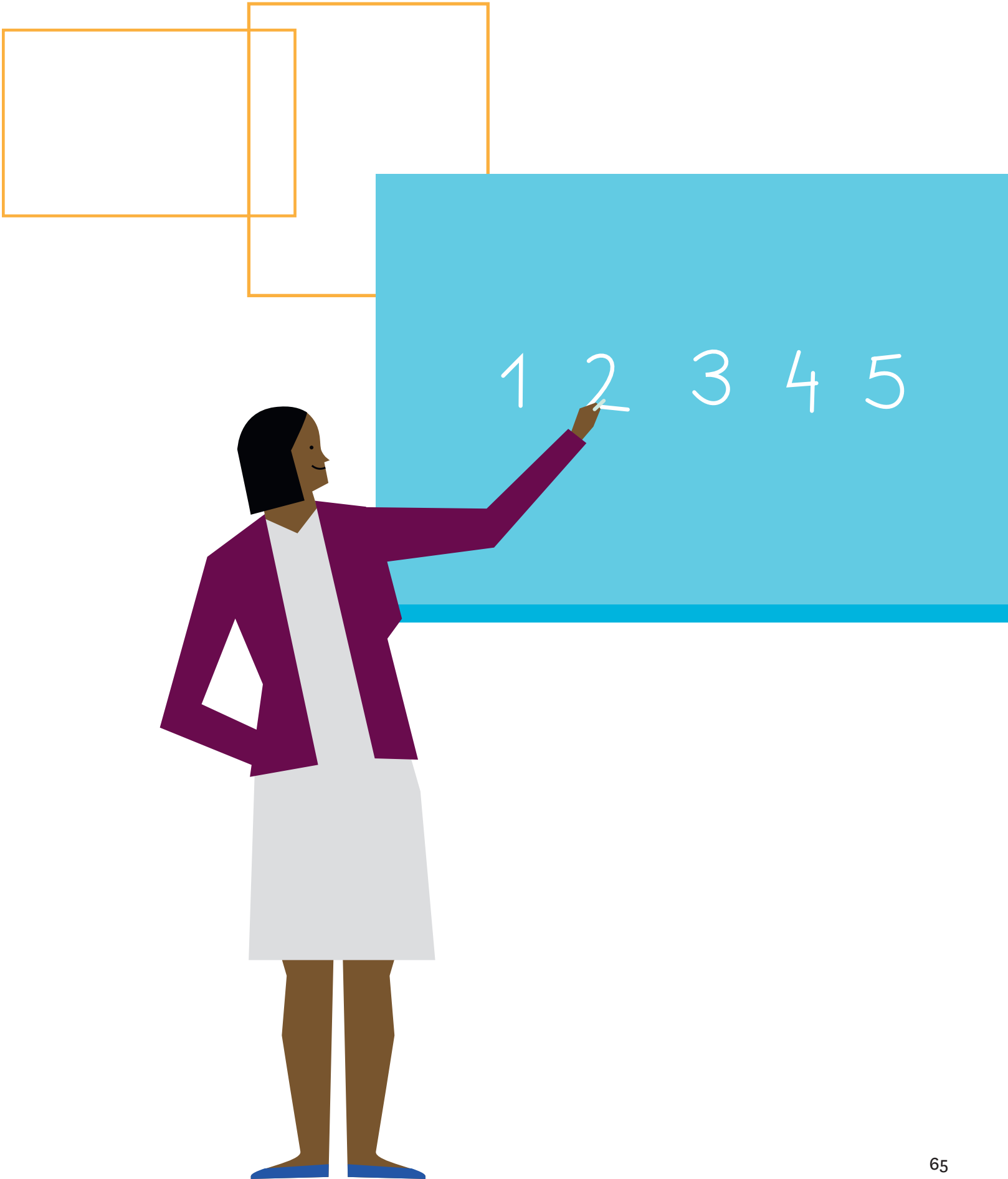
# New Technical Training Partnerships

Bring together businesses, high schools and community colleges to create 21st century programs of technical education and training that would allow students to earn both a high school and an associate’s degree in computer science and other STEM subjects. Establish federal guidelines for technical education in K-12, college and advanced degrees for career and technical education, with a special focus on skills and expertise required for jobs in STEM fields. Provide incentives such as federal grants and programs in coordination with state funding to ensure programs meeting these guidelines are accessible to students at various levels of education.

Public Support







# Problem

## College

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A college education is often unaffordable, inaccessible or incomplete for many students.



## Cost

80%

The percentage increase in the cost of college tuition in the last decade, a rate of growth that is twice as much as the cost of medical care and four times the cost of housing.

.....

\$1 Trillion

The amount of money in outstanding student loan debt in the U.S.

.....



7 in 10 college graduates have student loans, with an average debt of over \$35,000.

## Completion

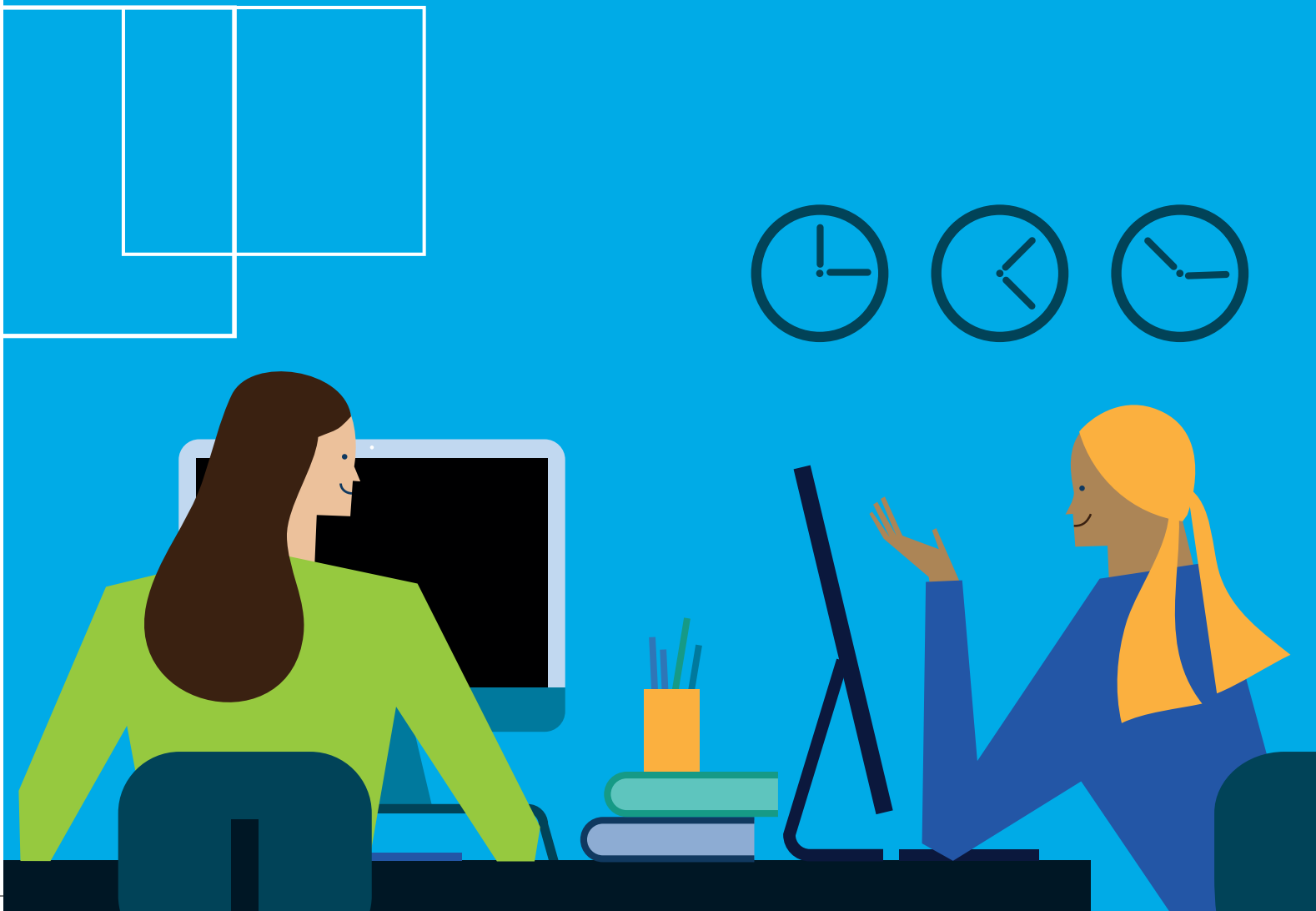
59%

The percentage of students who began seeking a bachelor's degree at a 4-year institution in fall 2007 and completed that degree within six years.

JOBS: EDUCATION

# Solve

## College



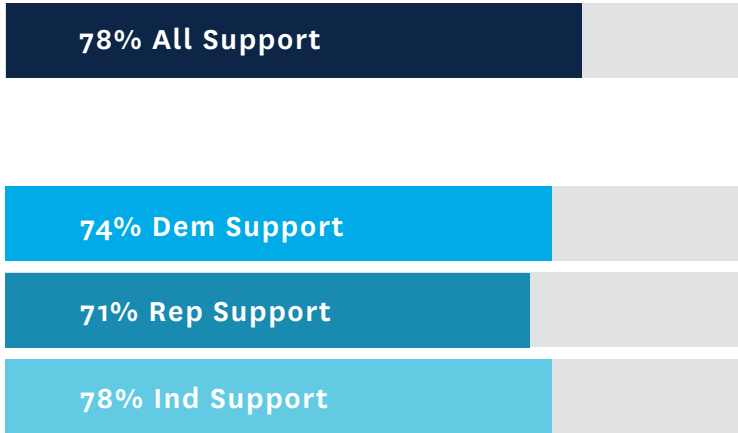


IDEA 14

# Incentives for College Completion

Provide new incentives for higher education institutions to focus on college completion as well as admission. Require public institutions of higher learning, and especially community colleges, to provide comprehensive student support services, including program and course advising, mentoring, and remedial education assistance for degree or certificate programs. Provide federal assistance through a block grant program to waive tuition for students enrolled in community colleges in these programs.

Public Support

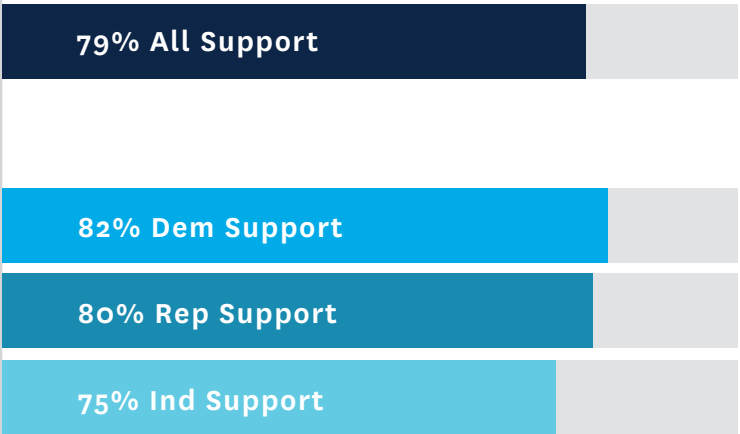


IDEA 15

# Expand Access to Online College Courses

Use online courses to deliver a high-quality, fully accredited college education at far lower cost than traditional brick-and-mortar institutions. Promote degree and certificate program course standards for digital learning to increase accreditation and transferability of credits. Improve access and assistance to rural populations and disadvantaged groups.

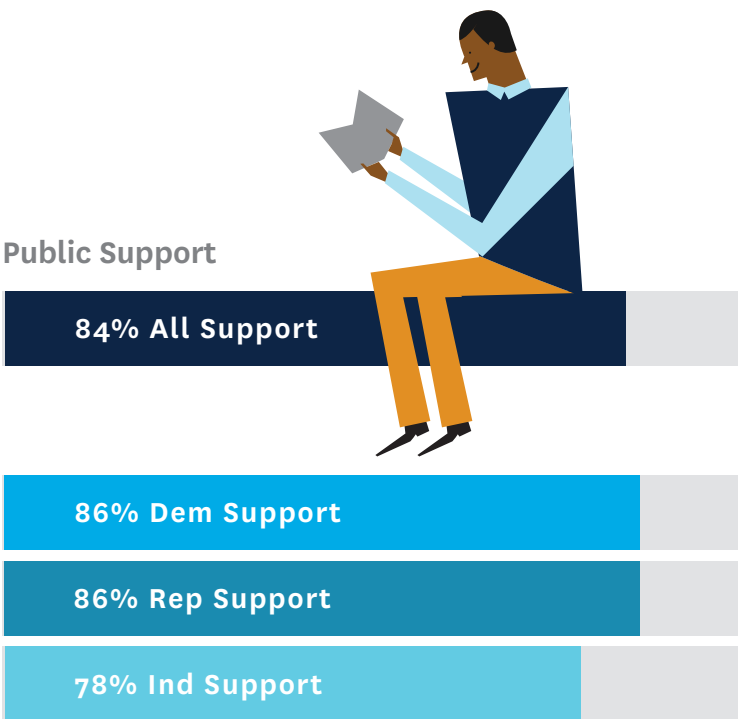
Public Support



IDEA 16

# Match Worker Skills With Employer Needs

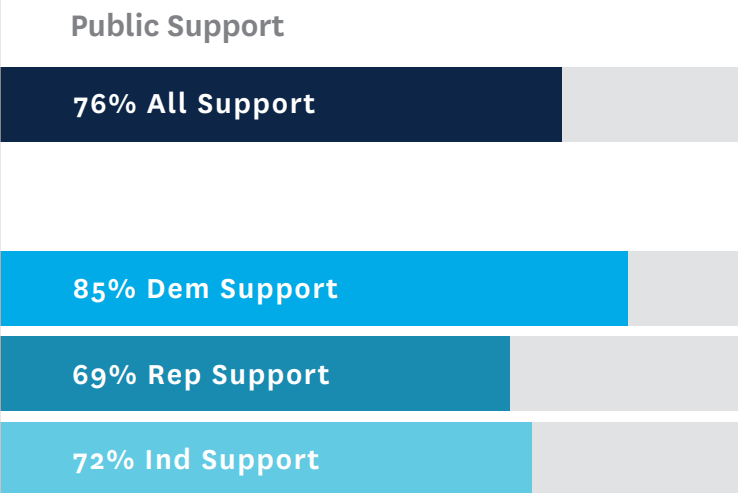
Increase incentives for high school and college partnerships with industry in order to better match worker skills with employer needs.



IDEA 17

# New Avenues for Worker Accreditation

Create new types of accreditation beyond high school, college and graduate school degrees, to include accreditation (e.g. digital badges or micro-degrees) that recognizes the acquisition of specific skills such as computer coding or leadership training.



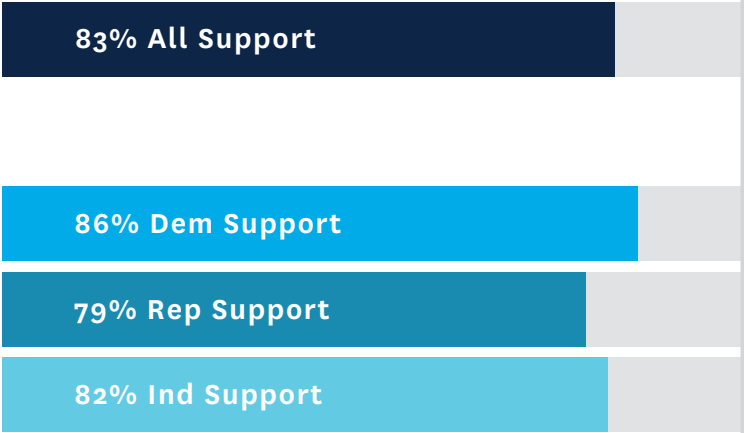


IDEA 18

# Make Higher Education Credits Transferable

Establish standardized measures for course requirements to make it easier for students to transfer course credits between different schools. The Department of Education, in consultation and cooperation with state education boards and accreditation boards, can create standards of instruction for specific courses whose course credits would be fully transferable among schools of higher education.

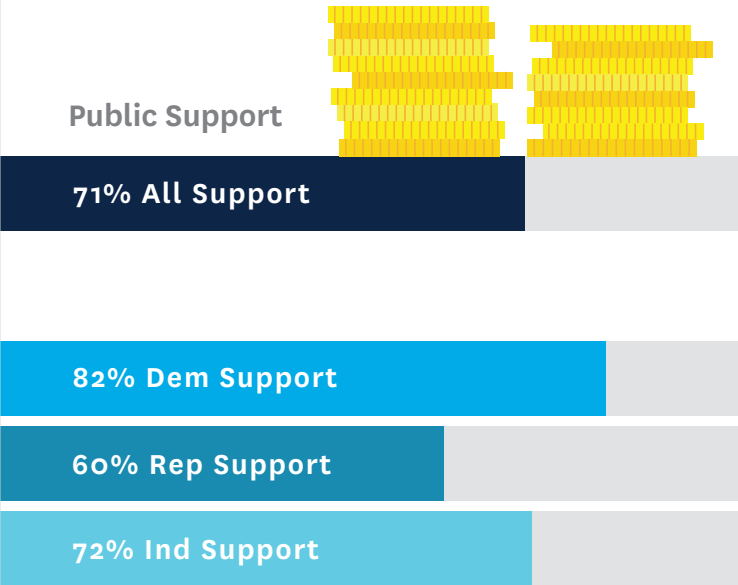
Public Support



IDEA 19

# Limit Student Loan Payments

Limit student loan payments by tying a student’s payment responsibilities to their ability to pay based on their income. This could be achieved by creating a minimum payment for federally guaranteed student loans based upon the borrower’s income and offsetting the reduced payments by increasing the interest rate or minimum repayment amount for borrowers who subsequently have high income.



JOBS

# 3 Workforce Development





# Problem

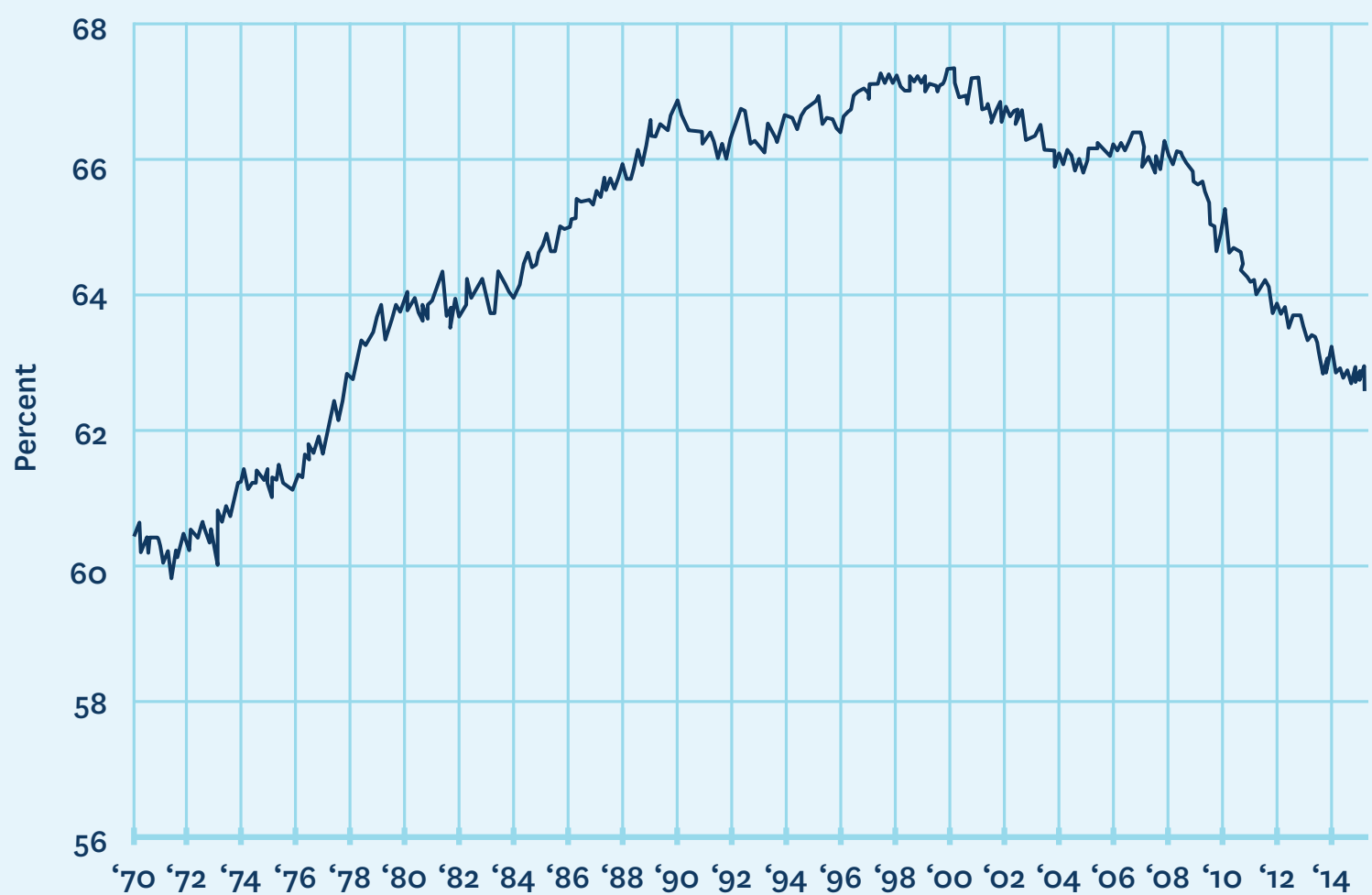
America needs more people  
in the workforce.

---

Despite recent declines in the unemployment rate, our labor force participation rate is still too low. A number of problems, including lack of effective worker training and expensive child care, are conspiring to prevent far too many Americans from getting in and staying in the workforce.



## Labor Force Participation Rate



Source: Bureau of Labor Statistics/Federal Reserve Bank of St. Louis

# Solve



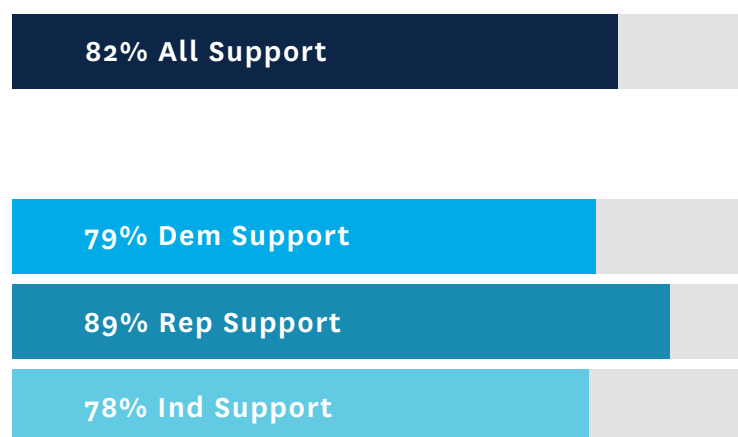


## IDEA 20

## Condition Public Assistance on Active Job Search

Receiving welfare or other forms of public assistance should be conditioned upon recipients actively looking for employment if they are able. Tightening welfare requirements could also help fix the “welfare cliff” that can discourage people from working or accepting better-paying jobs for fear of abruptly losing benefits.

### Public Support

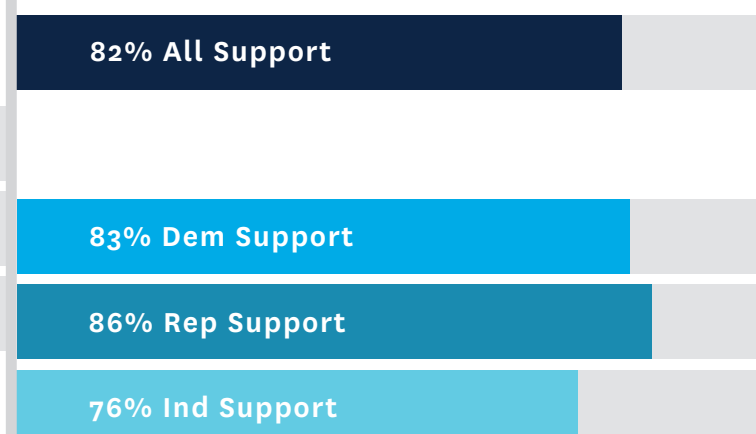


## IDEA 21

## Help the Chronically Unemployed

The longer someone is out of work, the harder it is to find a job. According to a Princeton study, only 11% of workers were able to find jobs after having been unemployed for 15 months or more. Require long-term unemployed persons to participate in a reemployment or vocational training program that provides the advising, skills and credentials necessary to become employed or reemployed.

### Public Support

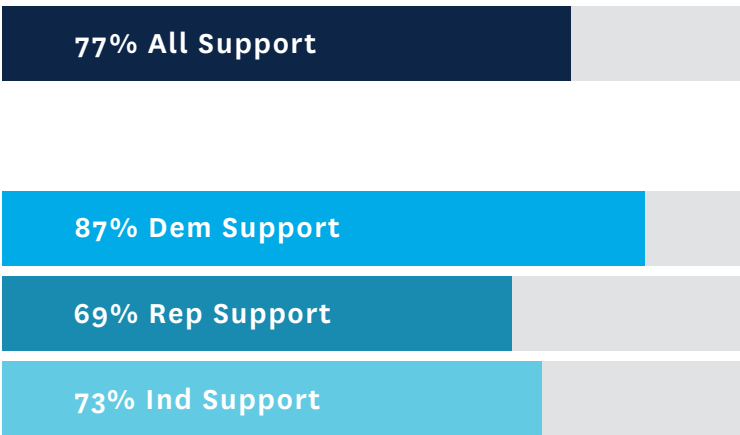


**IDEA 22**

# Education and Job Training for Previously Incarcerated

According to a New York Times/CBS News/Kaiser Family Foundation poll, men with criminal records account for about 34% of all nonworking men ages 25 to 54. Provide education and job training to people who have served time in prison so that they can provide for themselves and contribute to society. This could be achieved by mandating that previously incarcerated individuals participate in the new reemployment program described in the previous idea.

**Public Support**

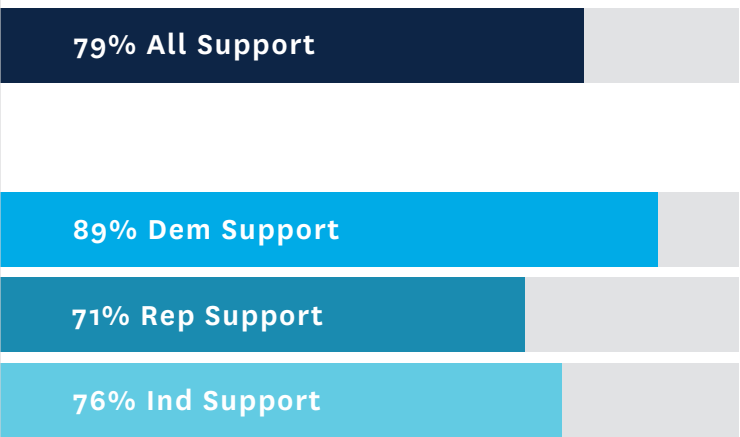


**IDEA 23**

# Make Child Care More Affordable

The U.S. Department of Health and Human Services says that in order for child care to be affordable, it should account for no more than 10% of a family's budget. But in many states, costs are often 30% or more, which has the effect of keeping many women out of the workforce. Make child care more affordable for families by enhancing funding for early education programs such as Early Head Start and increasing funding to states to improve childcare quality.

**Public Support**



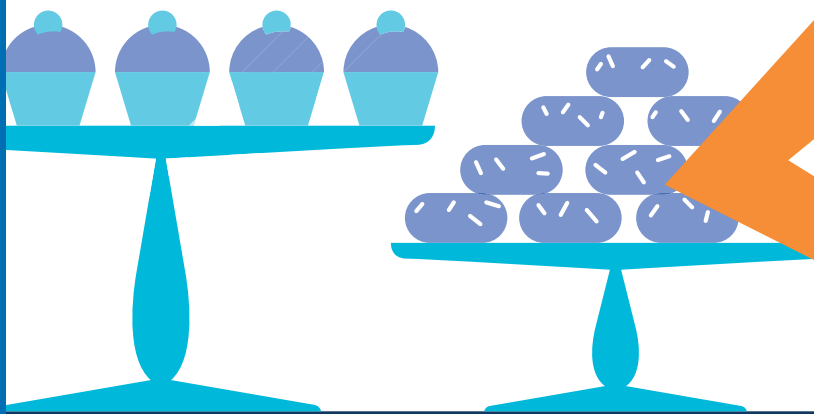
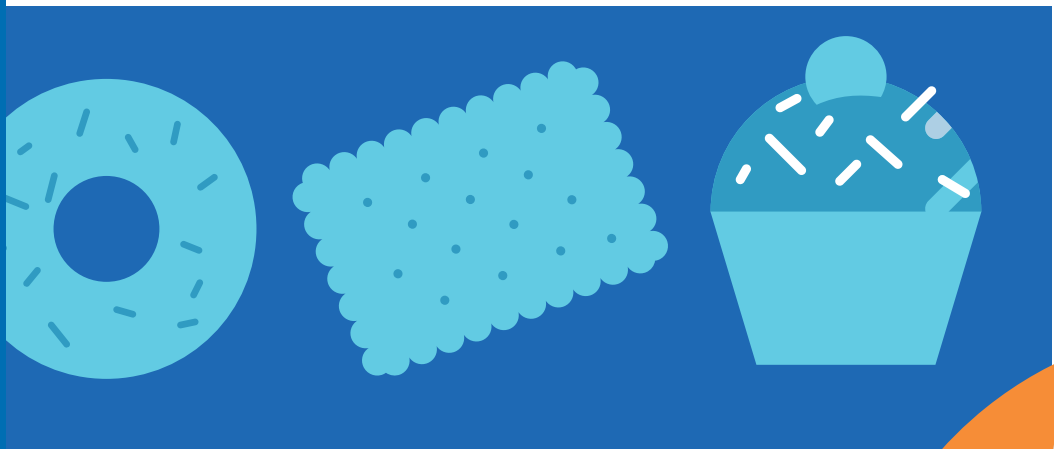


JOB S

4

Entrepreneurship





# Problem

America's job creation engine is sputtering.

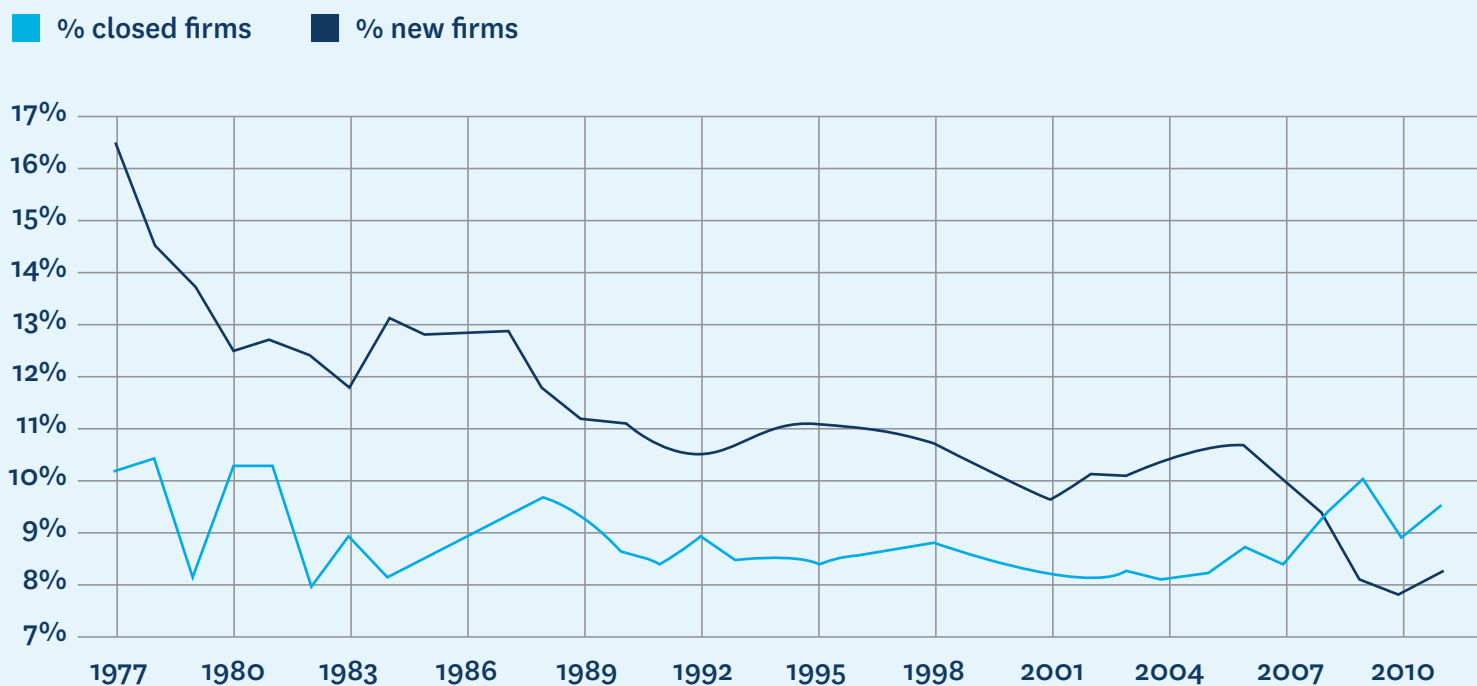
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Startup companies are responsible for nearly all new net job growth in the United States. But for the first time in modern history, more startups are dying than being born.



## Business Closings Hold Steady While Business Startups Decline

Business startups have been declining steadily in the U.S. over the past 30 years. But the startup rate crossed a critical threshold in 2008, when the birth rate of new businesses dropped below the death rate for the first time since these metrics were first recorded.

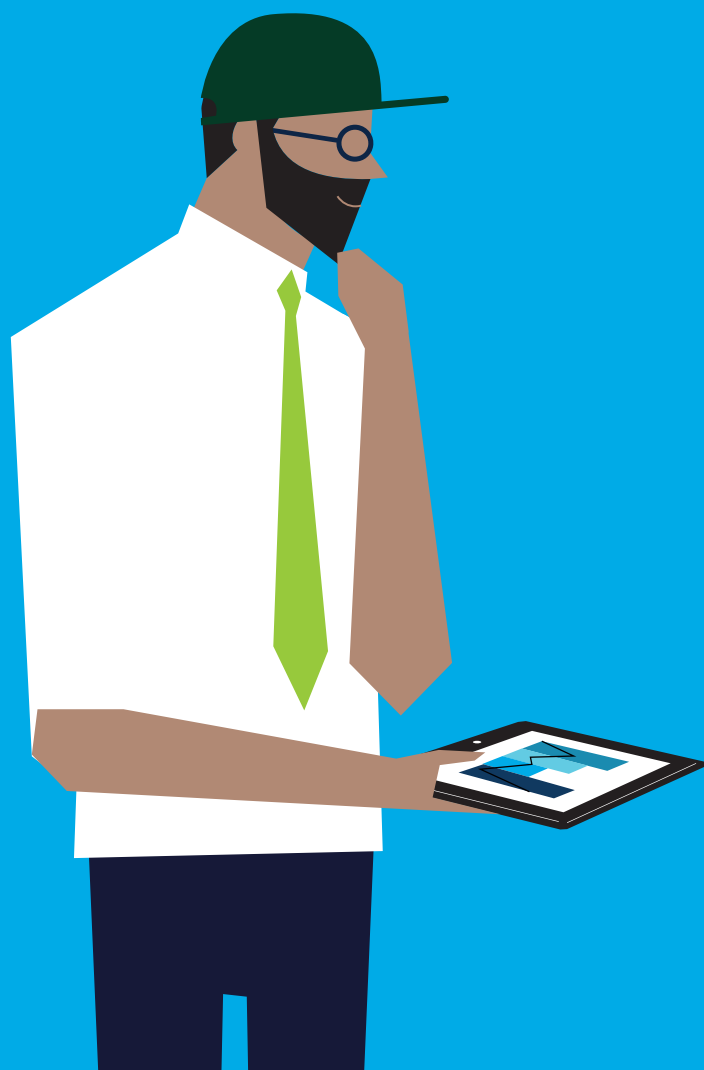


Source: U.S. Census Bureau Statistics compiled by Gallup

## Portugal, Romania, Panama, New Zealand, Kazakhstan and Belarus

According to the World Bank, these are among the 48 countries around the world where it is easier to start a business than the United States.

# Solve



## IDEA 24

# Spur Innovation by Opening up Government Data for Research

One of the most powerful drivers of technological innovation has been open source software, in which source code is made available to everyone to study, change and distribute however they please. Sharing more knowledge inevitably leads to more innovation. The federal government produces billions of dollars worth of data and basic research every year, much of which should be made available for private sector research and development purposes.

### Public Support

67% All Support

74% Dem Support

67% Rep Support

60% Ind Support

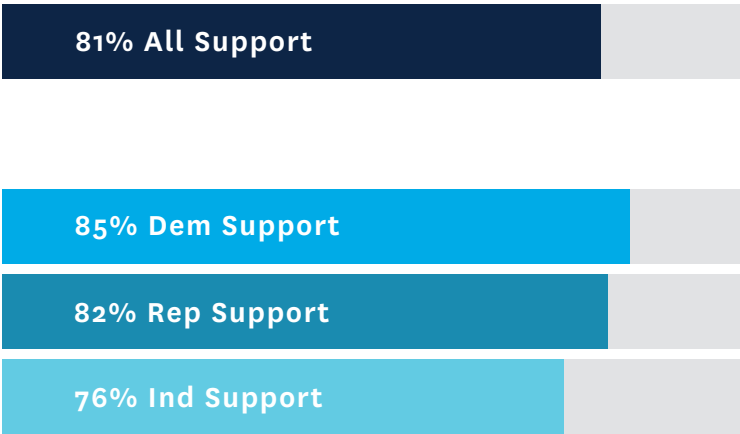


IDEA 25

# Regulatory Road Map for Entrepreneurs

Small businesses are hit particularly hard by regulatory compliance, with regulations costing them over \$10,000 per employee; 36% higher than the cost to larger businesses. The federal government should develop a regulatory “road map” website that enables entrepreneurs to view all of the federal, state and local regulations that may affect their business.

Public Support

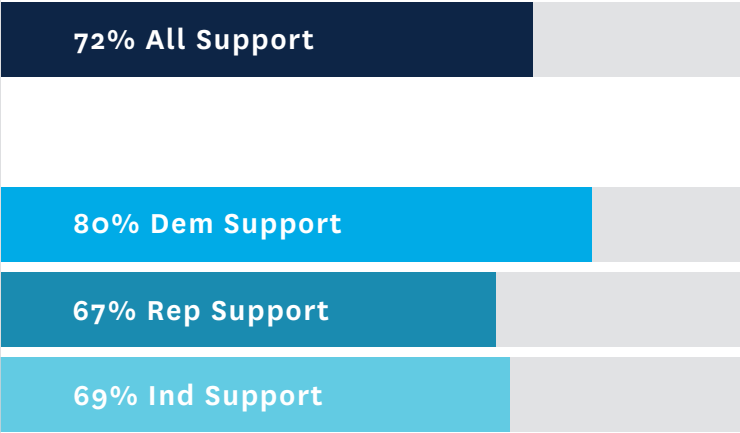


IDEA 26

# Expand Entrepreneurship by Enhancing the Community Reinvestment Act

Minority-owned businesses have a tougher time getting access to credit and often pay higher interest rates. For example, loan denial rates for minority firms are about three times higher compared to those of non-minority-owned firms. Enhance the Community Reinvestment Act — which provides incentives for banks to meet the credit needs of people in low- and moderate-income neighborhoods — to allow more funding to be funneled to startup businesses.

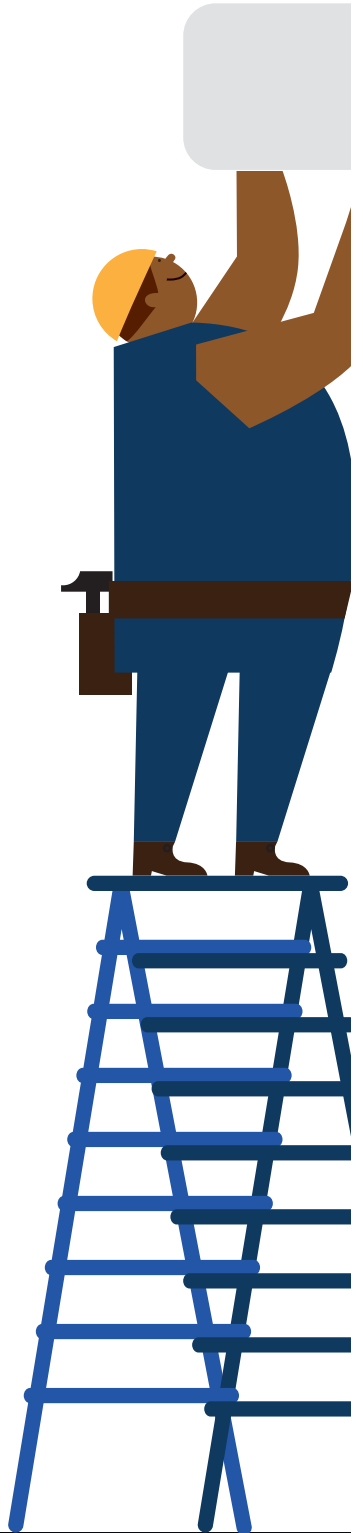
Public Support



JOBS

5

Infrastructure



# Problem

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America's roads, bridges, public transportation systems and electric and broadband infrastructure are in increasingly poor condition.





D+

The report card grade given to U.S. infrastructure by the American Society for Civil Engineers.

\$4.7 Trillion

The gap between the expected funding and necessary funding for U.S. infrastructure by 2040.

35th

The U.S. global ranking in Internet bandwidth.

# Danger Ahead for Drivers

63,000

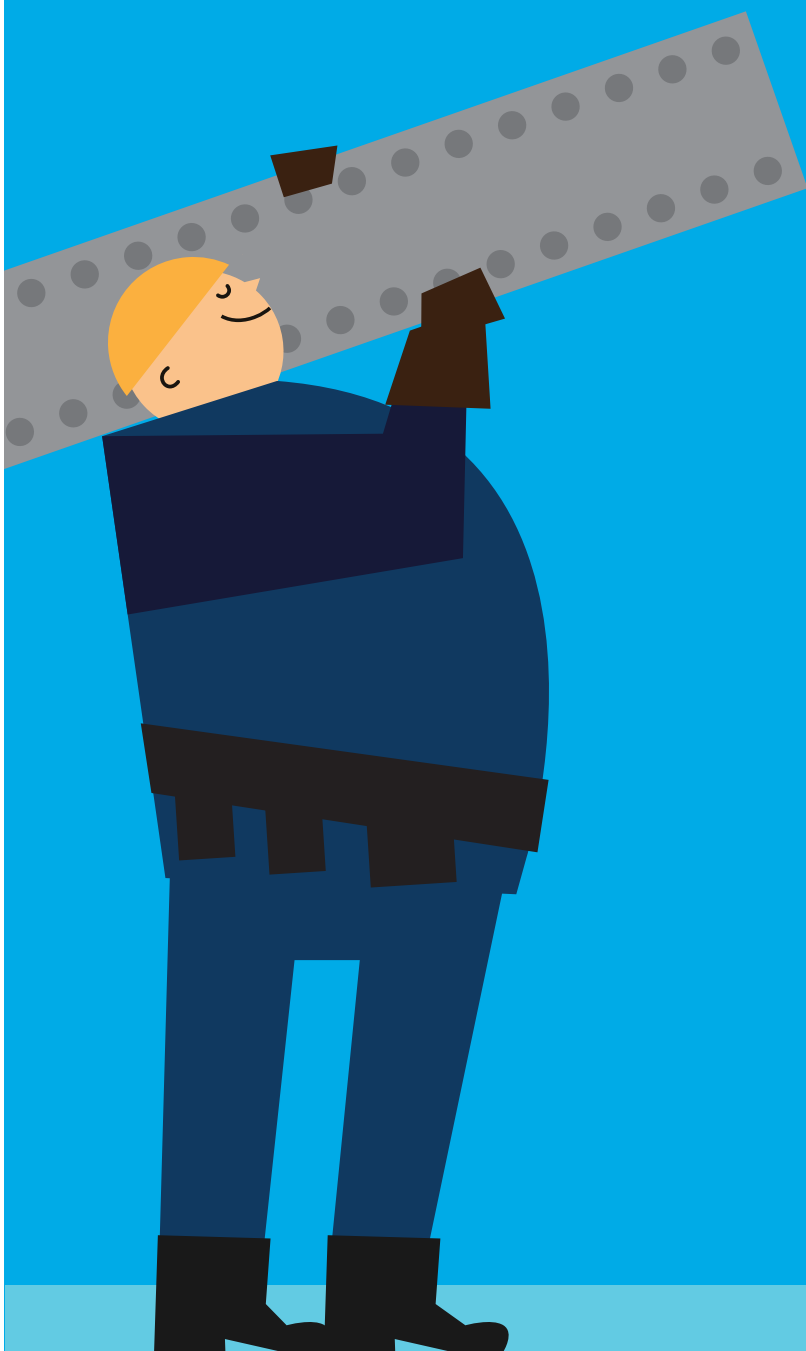
The number of bridges in need of “significant repairs.”



32% of America’s major roads are in poor or mediocre condition.

Source: American Society of Civil Engineers

# Solve



## IDEA 27

# Streamline Infrastructure Approvals

On average, highway projects take eight years to get regulatory approval. To accelerate the construction of important infrastructure, the federal government should designate officials to streamline the regulatory process for infrastructure projects such as roads, bridges and highways.

### Public Support

75% All Support

79% Dem Support

75% Rep Support

70% Ind Support

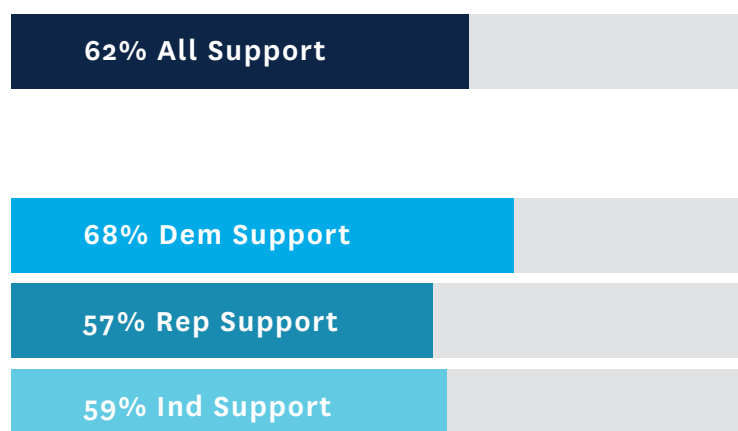


## IDEA 28

# Infrastructure Bank

Create a new institution (e.g. an infrastructure bank) that relies on public-private partnerships to design, build, finance, operate and maintain public infrastructure. The idea is to take a comparatively small amount of public funding and leverage it to attract significantly more private sector funding. The infrastructure bank would be federally funded and controlled and led by a bipartisan group of experts who would select locally proposed construction projects. The selection would be based on a broad range of criteria including necessity, costs and benefits and funding would be provided through loans and loan guarantees. The repayment of the loans would take place through the collection of taxes, tolls and other dedicated revenue streams and could be undertaken through an array of partners, public and private, for each eligible project.

## Public Support

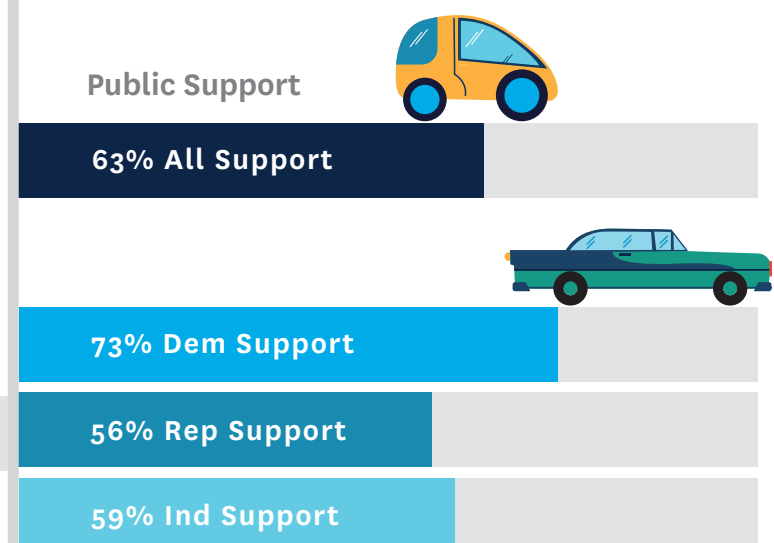


## IDEA 29

# Highway User Fee Divided by 3

The Federal Highway Trust Fund — which is funded by gas and diesel taxes and provides three fourths of all federal spending on highways and mass transit — has an annual funding deficit of \$13 billion in 2016 and \$20 billion by 2025. Increase the federal gas tax with all the revenues split in three equal proportions to: 1) reduce personal income taxes, 2) reduce the federal deficit and 3) provide additional funding for the Highway Trust Fund.

## Public Support



JOB S

6



Regulatory



# Problem

**“GENERATIONS OF LAWMAKERS AND REGULATORS HAVE WRITTEN SO MUCH LAW, IN SUCH DETAIL, THAT OFFICIALS ARE BARRED FROM ACTING SENSIBLY.”**

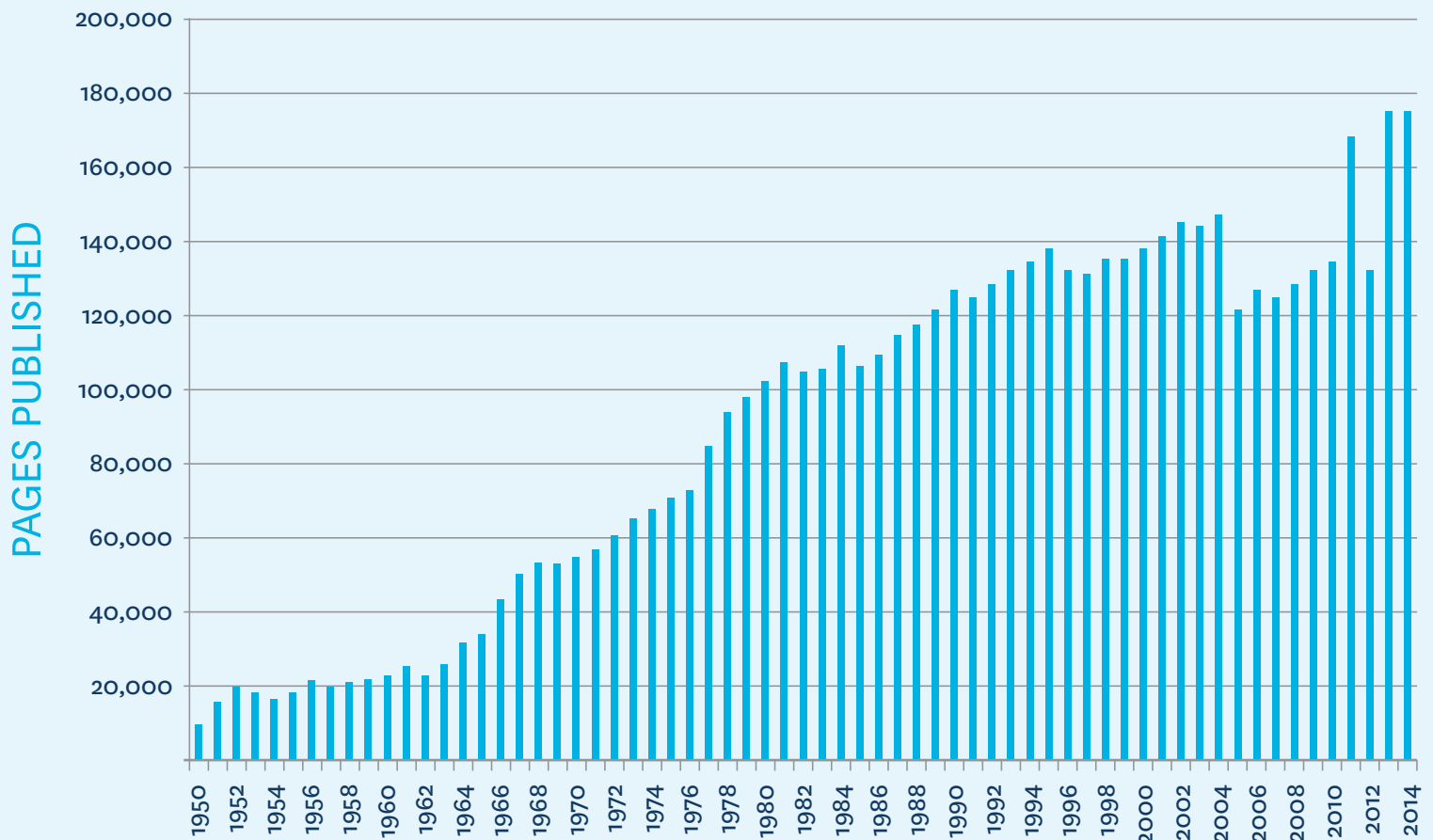
- Phil Howard, founder of the reform group Common Good

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Most Americans agree we need common sense rules and regulations to protect citizens, preserve our environment and promote public safety. But the U.S. regulatory system is increasingly complex and incomprehensible and the costs are adding up.



## Total Pages, Code of Federal Regulations (1950-2014)

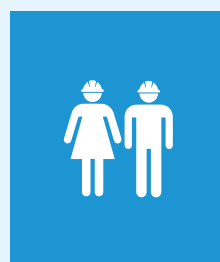


Source: George Washington University Regulatory Studies Center

## Regulatory Compliance Costs per Employee per Year for Manufacturers, 2012 (in 2014 Dollars)



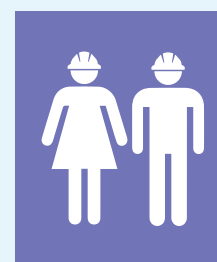
**\$19,564**  
Average of All  
Manufacturers



**\$34,671**  
Small Manufacturers  
(<50 Employees)



**\$18,243**  
Medium Manufacturers  
(50-99 Employees)



**\$13,750**  
Large Manufacturers  
(100+ Employees)

Source: National Association of Manufacturers

JOBS: REGULATORY

# Solve



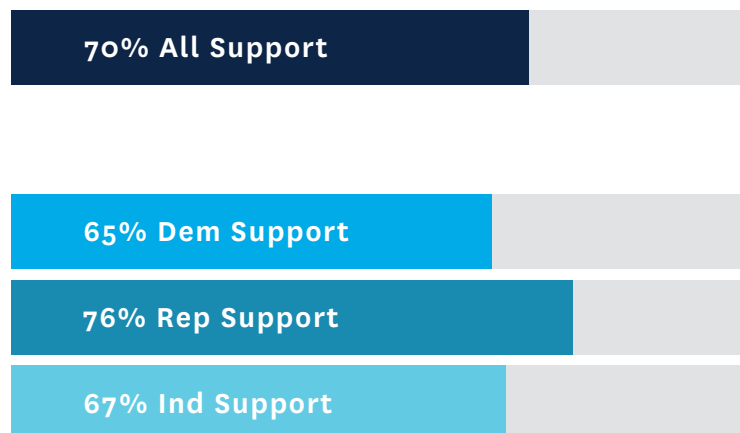




## IDEA 30

# New Regulation In, Old Regulation Out

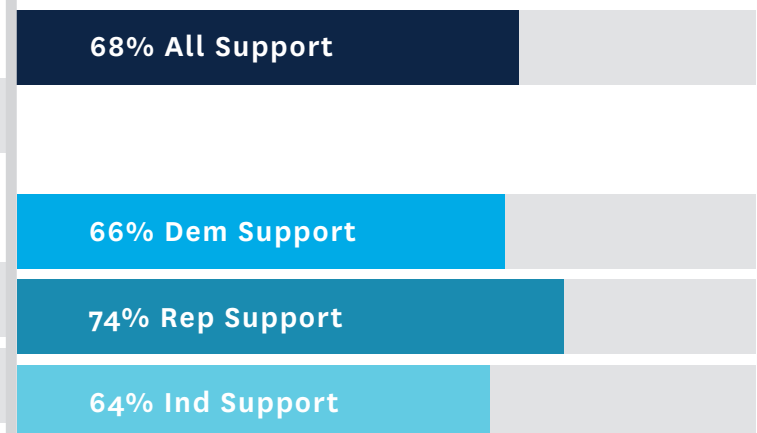
Whenever departments and agencies propose new regulations, require them to propose eliminating an existing regulation with comparable cost impact.

**Public Support**

## IDEA 31

# Sunset All Regulations

To prevent the accumulation of regulations that are unnecessary, counterproductive or too costly, require all regulations to sunset after 15 years, unless Congress explicitly acts to keep a particular regulation on the books.

**Public Support**

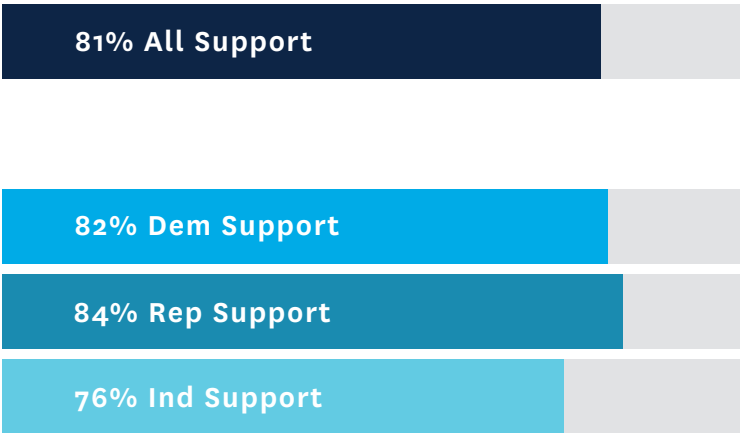
IDEA 32

# Require Judges to Act as Gatekeepers



In order to restore fairness and reliability to the American justice system, give judges more responsibility to dismiss unreasonable lawsuit claims.

Public Support



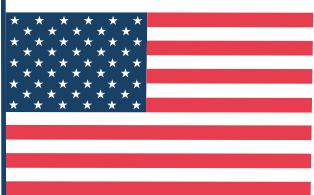
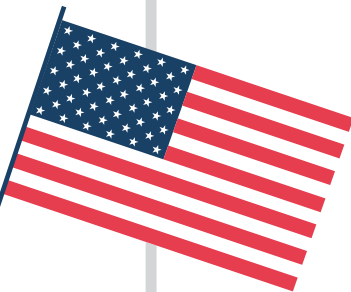
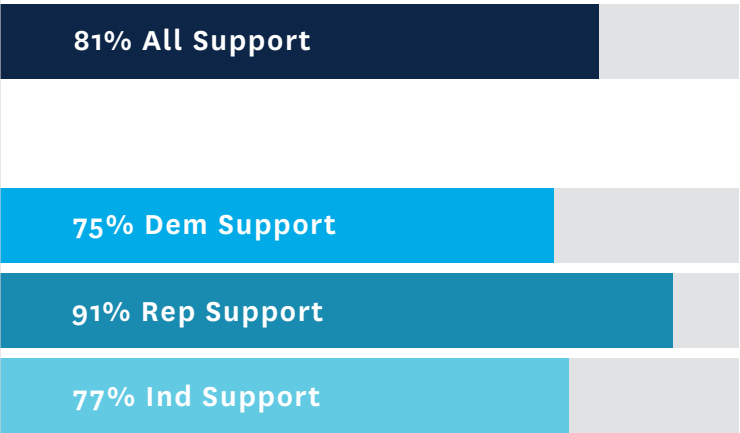
IDEA 33

# Would States do it Better?



The next president should undertake a comprehensive review of all major federal programs to determine if any aspects of the programs would be more efficiently and effectively handled by state or local government.

Public Support





## IDEA 34

# Review Existing Regulations and Reduce Them by 25%

Set up a bipartisan commission to review existing federal regulations with the goal of reducing them by 25%. Deliver findings within the first year of the next president's term.

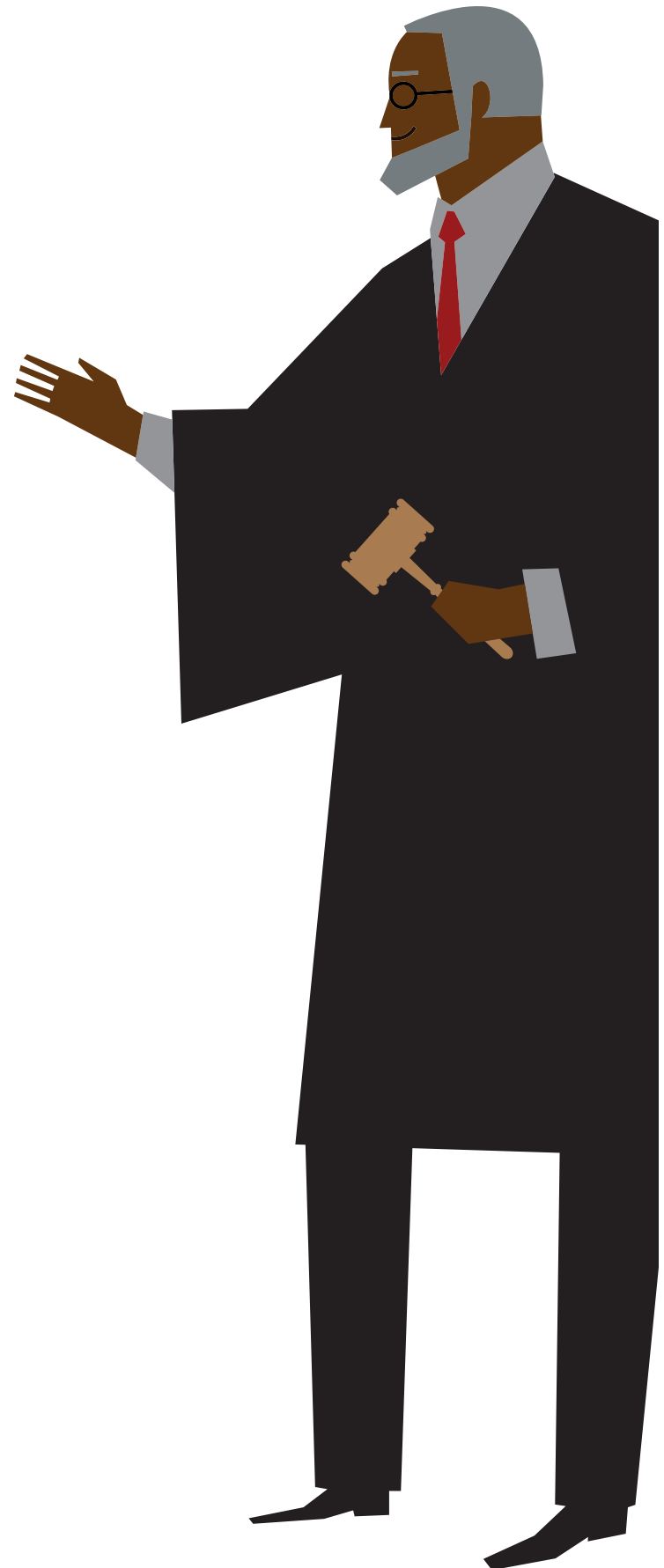
## Public Support

72% All Support

62% Dem Support

85% Rep Support

69% Ind Support



JOBS: IMMIGRATION

JOBS

7

Immigration



# Problem

---

America's immigration system is broken...

11+ Million

Immigrants in the country illegally

40%

Of unauthorized immigrants currently living in the U.S. have overstayed their legally-issued visas



...But legal immigration is essential for the current and future prosperity of the United States.

## Immigration is



Good For Job Creation



Essential For America's Budget And Entitlement Problems

Social Security's trustees report that increased immigration could increase funding for Social Security by \$4.6 *trillion* over the next 75 years as new and younger workers pay into the system.

## 4.7 Million

Number of people employed by immigrant-owned small businesses

.....

## 2X

Immigrants are more than twice as likely to start a business than a non-immigrant

.....

## 1 in 4

Proportion of all-tech startups that have an immigrant founder

# Solve

America has always been a nation of immigrants. But in recent surveys, many Americans are questioning the benefits of immigration for the country. Against this backdrop, it is essential for the federal government to first build trust among the American people that our borders are secure. When people were asked in No Labels polling how they'd feel about certain immigration policies if "border enforcement were much stronger," many were amenable to key aspects of comprehensive immigration reform that have been debated in Congress, including:





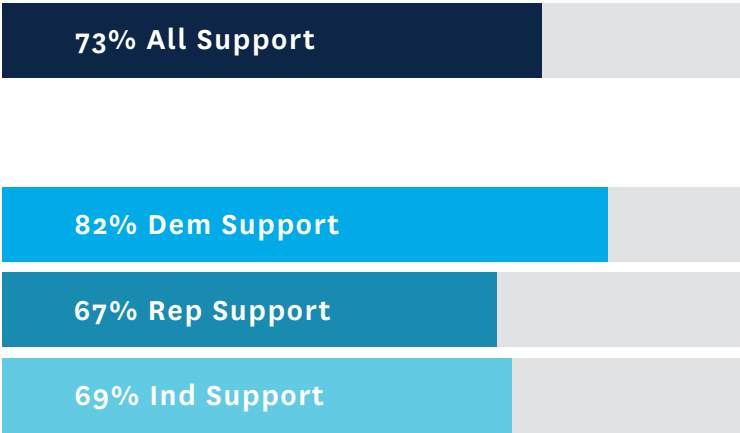


IDEA 35

# Permanent Legal Status for Illegal Immigrants

Promote a path to earned legal status for illegal immigrants in the United States who meet strict conditions such as learning English, paying back taxes and passing rigorous background checks.

Public Support

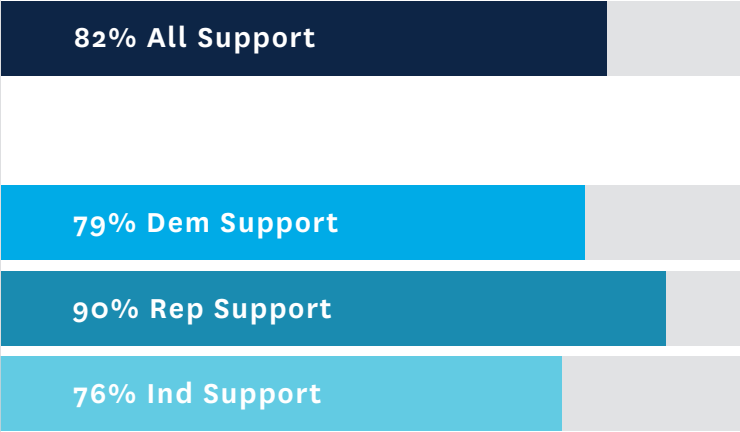


IDEA 36

# Mandatory Tracking of Expired Visas

Establish a mandatory tracking policy that uses technology to monitor expired visas.

Public Support



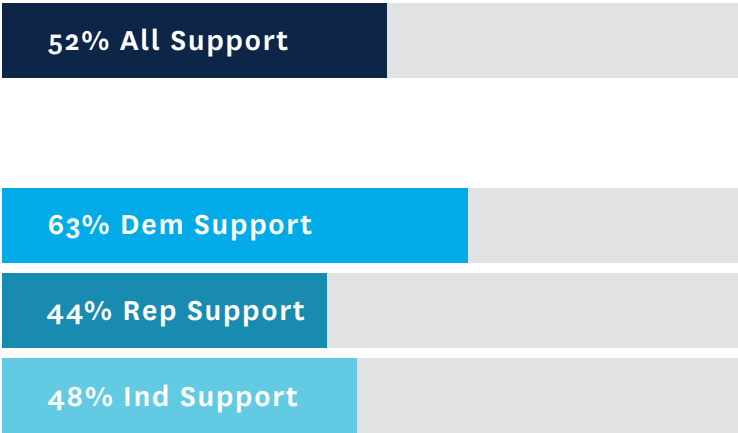
IDEA 37

# Expand H1-B Visas for High-Skilled Workers



According to a recent Manpower survey, 32% of employers report that they are having difficulty filling job vacancies, particularly in STEM occupations. Expand the H1-B visa system for high-skilled foreign workers in the U.S. and allow these workers to move freely from one employer to the next.

Public Support



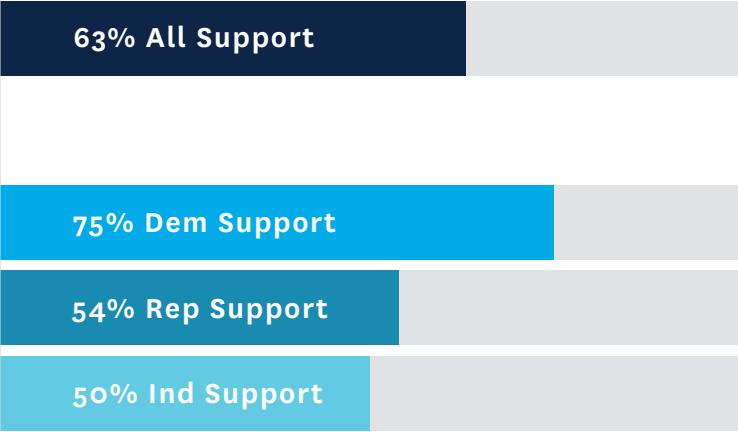
IDEA 38

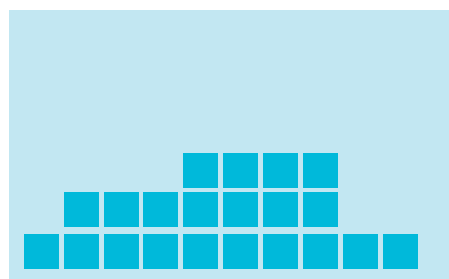
# Expand Guest Worker Visa Program

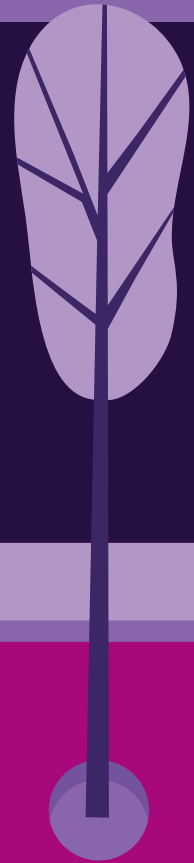
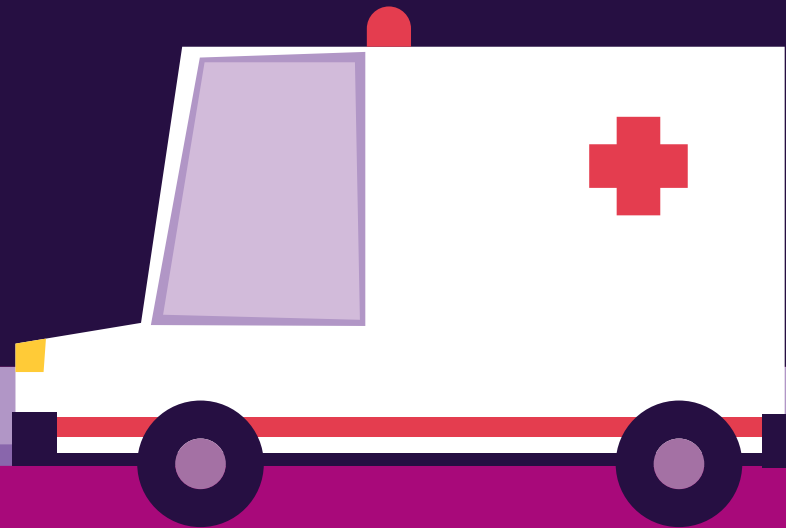
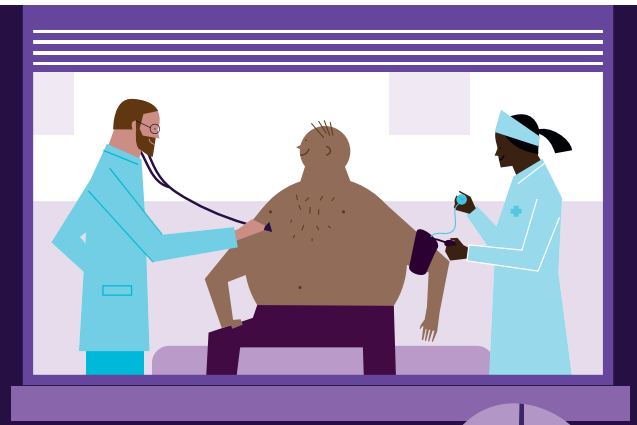


Many U.S. farms have been reporting labor shortages as the number of incoming immigrants decreases. For example, according to Pew Research, the number of Mexican immigrants coming to the U.S. has recently fallen below the number headed back to their own country. Expand seasonal or annual guest worker visa programs for lower-skilled foreign workers in sectors such as agriculture.

Public Support







GOAL TWO

# Secure Social Security and Medicare for the next 75 years



## SOCIAL SECURITY & MEDICARE

---

Social Security and Medicare are true lifelines for tens of millions of Americans across the country.

But these lifelines are fraying.

Social Security and Medicare are not sustainable on their current trajectories due to the retirement of the enormous Baby Boom generation, falling birth rates and rising health care spending.

There are no easy answers to this challenge.

We must, on the one hand, provide the benefits that our seniors have earned and depend on for a growing share of their medical and living expenses. On the other hand, there is no realistic way to reduce America's debt and balance our budget without reforming the way we currently fund and provide benefits through Medicare and Social Security.

But securing Social Security and Medicare is not impossible. There are a number of relatively modest and gradual changes to how benefits are paid and how these programs are funded that can keep Social Security and Medicare secure for another 75 years.

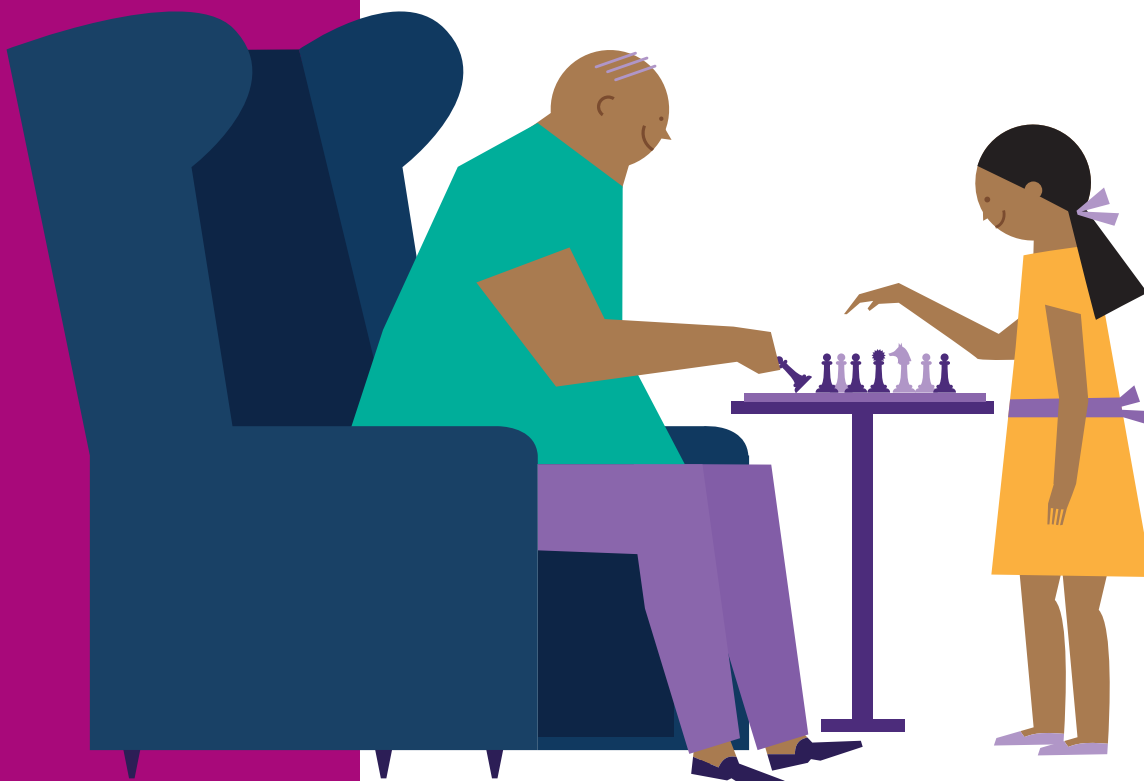
One way or another, Washington needs to find a solution for the sake of this generation and the next.



# Policy Principles

No Labels' Social Security and Medicare policies spring from the assumption that:

- Promises have been made to millions of people in or near retirement. Those promises must be kept
- The basic structure of the current programs should stay the same including their revenue base
- Alternatives to the current programs should be offered as options, not mandates
- Reforms should not increase the burdens or diminish the benefits of lower- and middle-income beneficiaries
- Reforms should focus revenue and benefit changes on upper income workers



# Problem

Social Security and Medicare  
are in trouble.

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There are too few workers available to support too many people who are living longer and drawing more benefits.





# Social Security

16.5

Number of workers for every Social Security recipient in 1950.



2.1

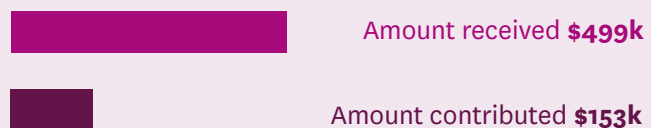
Number of workers for every Social Security recipient by 2035.



# Medicare

Most Americans will receive far more in Medicare benefits than they pay in Medicare taxes. For example, an average two-earner couple retiring in 2020 will receive \$499,000 in Medicare benefits while only paying \$153,000 in Medicare taxes.

Medicare Amount Per Couple\*



\*Average two-earner couple retiring in 2020

# The Upshot

The Medicare Hospital Insurance Trust Fund will be unable to pay full benefits beginning in 2030. The Social Security Trust Fund will be unable to pay full benefits beginning in 2033.

# Problem

Social Security and Medicare  
must be secured.



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## Social Security and Medicare Cover a lot of People

55 Million

Americans receive health care coverage under Medicare.

65 Million

Americans receive Social Security benefits.

---

## Social Security and Medicare are Cornerstones of Elderly Economic Security



Medicare covers about half of all health care spending for its beneficiaries.



Social Security benefits represent about 39% of the income of the elderly.

# Solve Social Security

In our public polling on Social Security, No Labels offered respondents a choice of four different reform packages, each of which met the standard of securing the program for the next 75 years. The following reform package, focused primarily on increasing revenues coming into Social Security, achieved broad support from policy experts and the public.





## IDEA 39

# Increase Revenues Coming into Social Security

1. Raise the annual limit on earnings subject to the payroll tax from \$118,500 to \$240,000. At this level, the payroll tax would once again cover 90% of the wage base, which was the amount subjected to the payroll tax under the Social Security reform signed by President Reagan in 1983.
2. Increase the payroll tax rate, with employers and employees each paying an additional 1% of salaries.
3. Slow the growth of future benefits for the top 20% of beneficiaries.
4. Reform the Social Security disability system by tightening eligibility requirements and reducing fraud. A recent study by the Social Security Administration revealed that disability program beneficiaries were overpaid by \$17 billion over the last 10 years.

## Public Support

63% All Support

72% Dem Support

60% Rep Support

56% Ind Support



# Solve Medicare

Solving the Medicare solvency challenge is more complicated than Social Security. For example, we don't know how technology will transform medicine or how much medical costs will rise in the years ahead. But the federal government can take a number of smart steps to ensure Medicare will be there for generations to come.



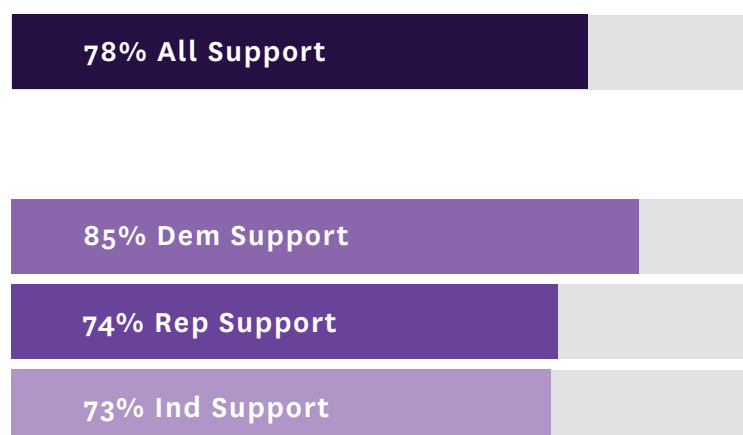


## IDEA 40

## More Funding for Chronic Disease Treatment

The most common chronic diseases (Alzheimer's, heart disease, etc.) have been estimated to cost the economy more than \$1 trillion annually—with the possibility of reaching \$6 trillion by the middle of the century. Unfortunately, chronic disease research is “severely underfunded,” according to a recent study of National Institutes of Health data published in the American Journal of Preventive Medicine. Increase the portion of the Department of Health and Human Services (HHS) research budget focused on chronic disease conditions to a level similar to that of life science companies (16% on average).

### Public Support

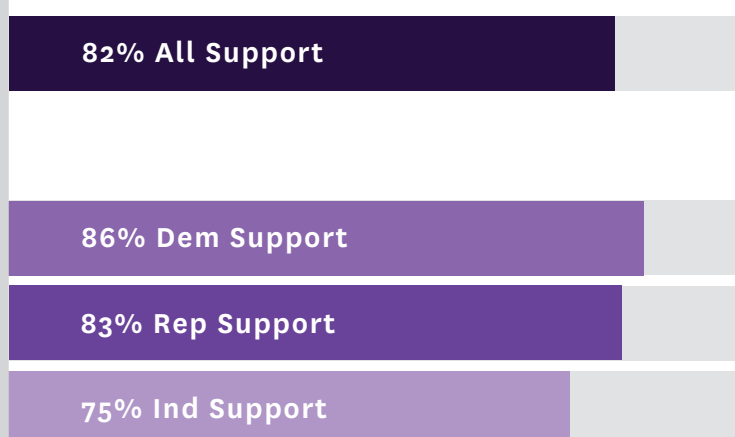


## IDEA 41

## Allow Medicare to Negotiate with Drug Companies

Prescription drug costs under Medicare Part D are not subject to price negotiations as under Medicaid and the Department of Veteran's Affairs. As a consequence, drug costs are often 20 to 30% higher under Medicare. Congress should pass a law allowing Medicare to negotiate the price it pays for medicines (i.e. competitive bidding). According to the advocacy group Public Citizen, the government could save \$16 billion per year if Medicare Part D drug prices were negotiated.

### Public Support

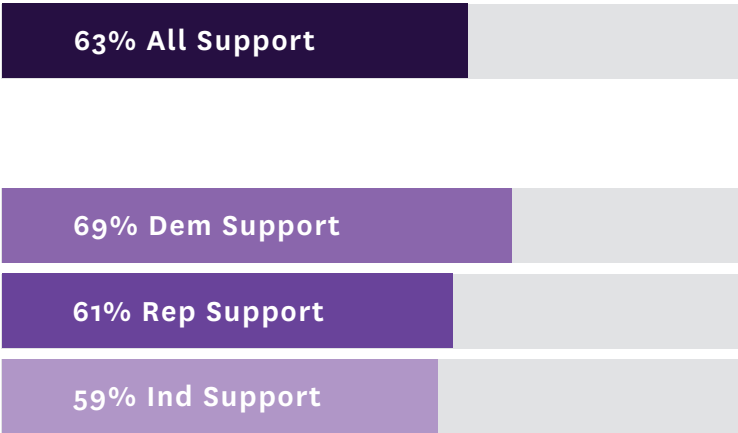


IDEA 42

# Pay for Quality, Not Quantity of Service

There are various existing pilot programs for establishing Accountable Care Organization and bundled payments for Medicare and Medicaid in which providers are paid for the quality instead of the quantity of care. Preliminary research from HHS indicates these programs generated approximately \$300 per participating beneficiary per year while still maintaining quality care. Another Medicare pilot program — called Independence at Home — offered incentives for providers to visit elderly patients at home and saved more than \$3,000 per beneficiary. Although these programs are in their initial stages, they can serve as models for widespread expansion in the years ahead.

Public Support

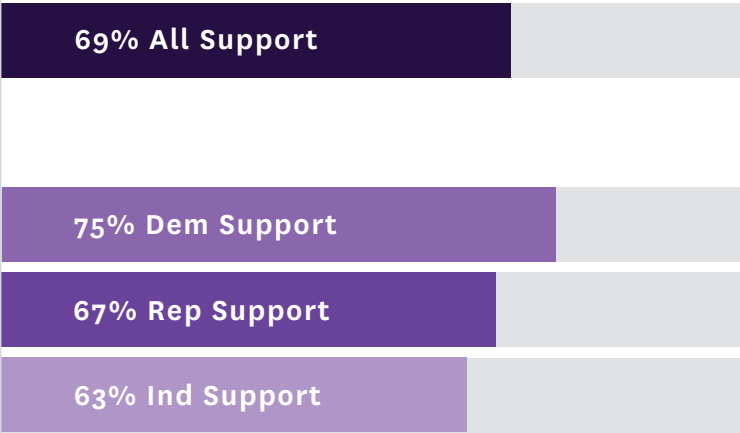


IDEA 43

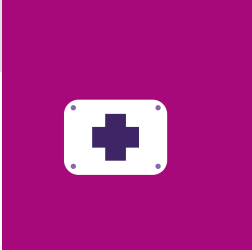
# Allow Nurse Practitioners to do More

According to the Association of American Medical Colleges (AAMC), there will be a shortage of 45,000 primary care doctors in the United States by 2020, which could seriously threaten patients' access to medical care. To both increase access to medical care and reduce costs, the federal government should use payment incentives or suggest best practices to accelerate the trend of nurse practitioners and other mid-level healthcare workers providing a wider scope of medical services, such as writing prescriptions.

Public Support





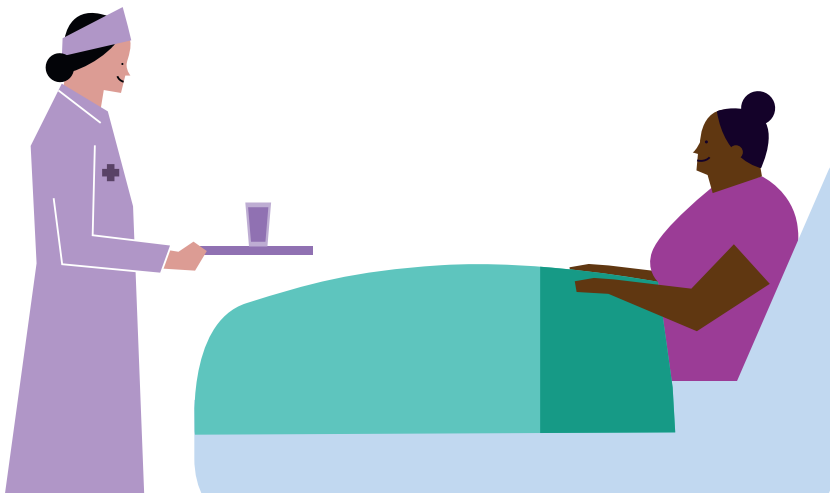
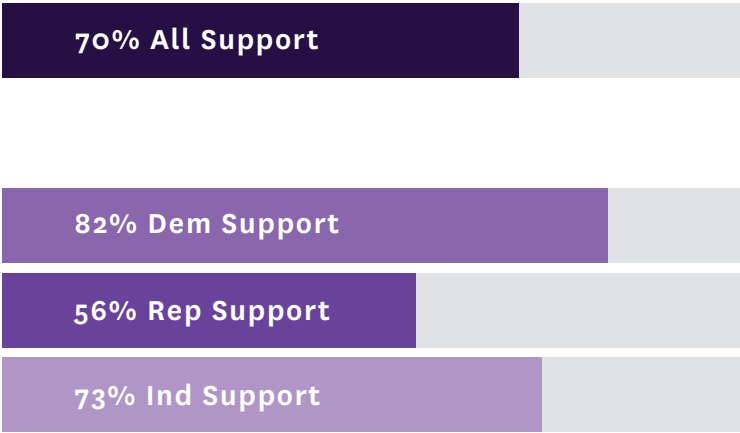


IDEA 44

# More Training for Mid-level Health Pros

Increase funding for scholarships, loans and other education and training incentives for mid-level and other health-care workers, such as nurse practitioners, diagnostic technicians and occupational and physical therapists.

Public Support

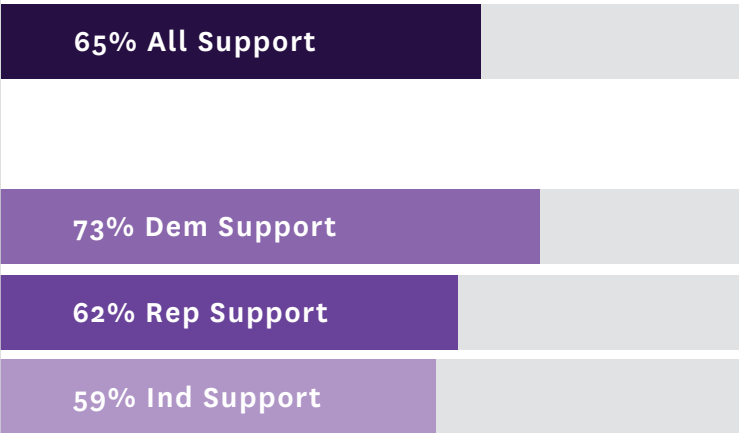


IDEA 45

# More Telemedicine

The Health Resources and Services Administration reports that nearly 20% of Americans live in areas with an insufficient number of primary care doctors. The problem is particularly acute for patients in rural areas. One way to fix this problem is to expand the usage of telemedicine, where doctors can diagnose and treat patients remotely using web videos and other telecommunications technology. This can be achieved by creating national standards for service, data transmission and payment of telemedicine services and expanding coverage and payment by Medicare and private payers for telemedicine services.

Public Support

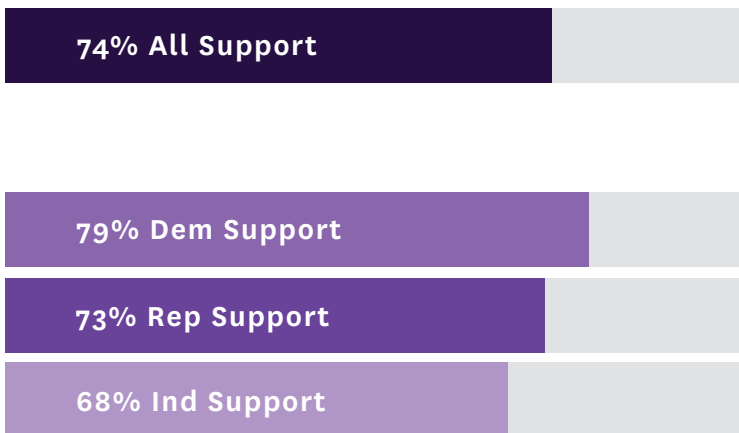


IDEA 46

# Reduce Defensive Medicine

According to Gallup, one in four health care dollars can be attributed to the cost of defensive medicine — which refers to the practice of a doctor ordering unnecessary tests or treatment as protection from future legal action. Institute reforms to reduce defensive medicine, with policy options including placing caps on non-economic and punitive damages; establishing risk-sharing between parties responsible for injury in place of the normal practice of joint and several liability; and imposing limits on contingency fees charged by lawyers.

Public Support



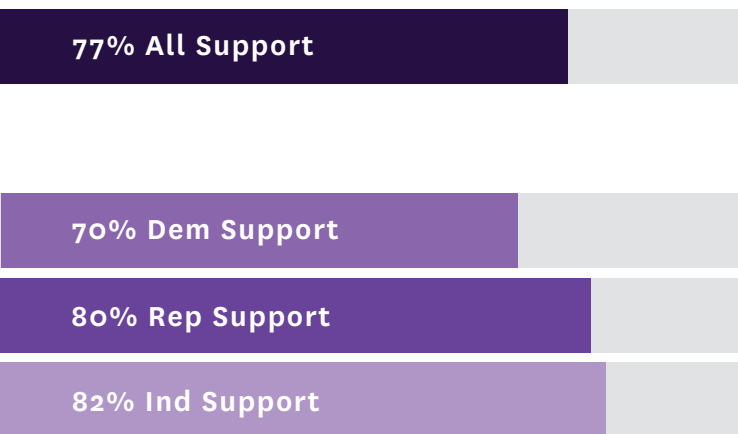
IDEA 47

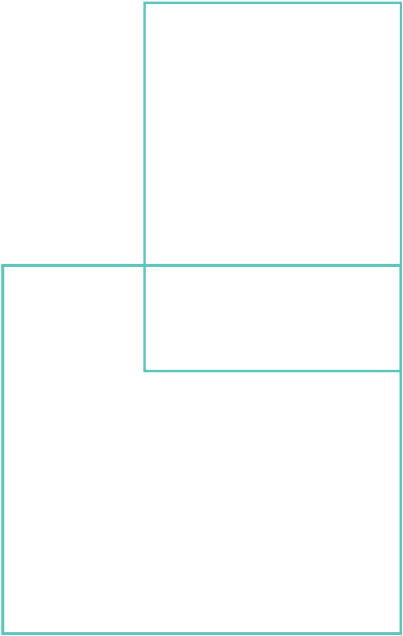
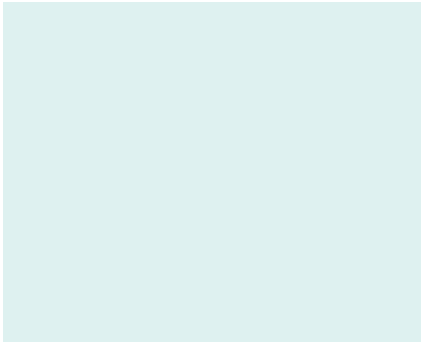
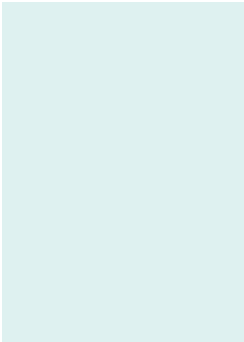
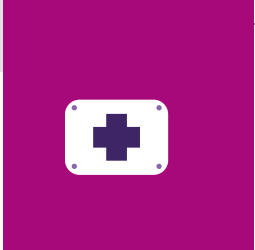
# Allow Health Insurance Purchases Across State Lines\*

\*Poll results from February 2014  
Rasmussen Reports survey

Currently, consumers can buy policies only from insurers licensed by the states where they live and state insurance markets are sometimes dominated by only one or two insurers. Allow citizens to buy health insurance plans across state lines. By increasing customer choice, this step could increase competition and decrease insurance and overall health care costs.

Public Support





GOAL THREE

# Balance the Federal Budget by 2030





## BUDGET

---

If the money we spend as a nation consistently outpaces the money we bring in, the burden of our increasing debt — including the interest we pay on it — will crush us.

Unfortunately, that's where we're headed. America's public debt is big and projected to get much bigger for a number of reasons, including an aging, longer-living population, rising long-term health care costs and a weak recovery from the Great Recession.

America's public debt-to-GDP ratio is around 74%. That's higher than at any time in U.S. history, except for a short period after World War II, and more than double what it was in 2007.

The budget trajectory we're on is unsustainable and we ignore this warning at our peril. That's why America's leaders need to commit to balancing the federal budget by 2030.





# Policy Principles

No Labels' budget policies spring from the assumption that reforms should be:

## **SOCIALLY EQUITABLE**

Preserving a secure social safety net for those who are truly in need

## **CREDIBLE**

Providing a path to fiscal sustainability that is based on realistic assumptions and transparent projections

## **REASONABLE**

No Labels' budget goal does not mean that the government's revenues and expenses must be in complete balance every year. Instead, the government should work to reduce the burden that federal debt imposes on our economy to a stated level and ensure that it will no longer be rising by 2030

## **COMPREHENSIVE**

Including both spending reductions and additional revenues and no exemption of "sacred cows" (e.g. mandatory spending programs and tax expenditures)

## **PRO-GROWTH**

Encouraging economic growth in order to increase job creation and reduce the debt burden

# Problem

## Where We Are

**\$18 Trillion**    **SIZE OF U.S. NATIONAL DEBT**

---

Public Debt  
**\$13 TRILLION**

Intragovernmental Debt  
**\$5 TRILLION**

Intragovernmental debt is debt the U.S. Treasury owes to other federal agencies. Most funds are owed to retiree programs such as Social Security and federal and military pensions.







# \$3.7 Trillion

AMOUNT THE U.S. GOVERNMENT SPENT IN 2015

Composition of the Federal Budget



Most of the Annual Budget Goes Toward Defense, Social Security and Major Health Programs

- 24% Social Security
- 22% Medicare, Medicaid, CHIP
- 19% Defense and International Security Assistance
- 12% Safety Net Programs
- 6% Debt Interest
- Remaining program areas:**  
Benefits for federal retirees and veterans, transportation infrastructure, science and medical research, education, non-security international assistance, all other

Source: Office of Management and Budget data compiled by Center on Budget and Policy Priorities

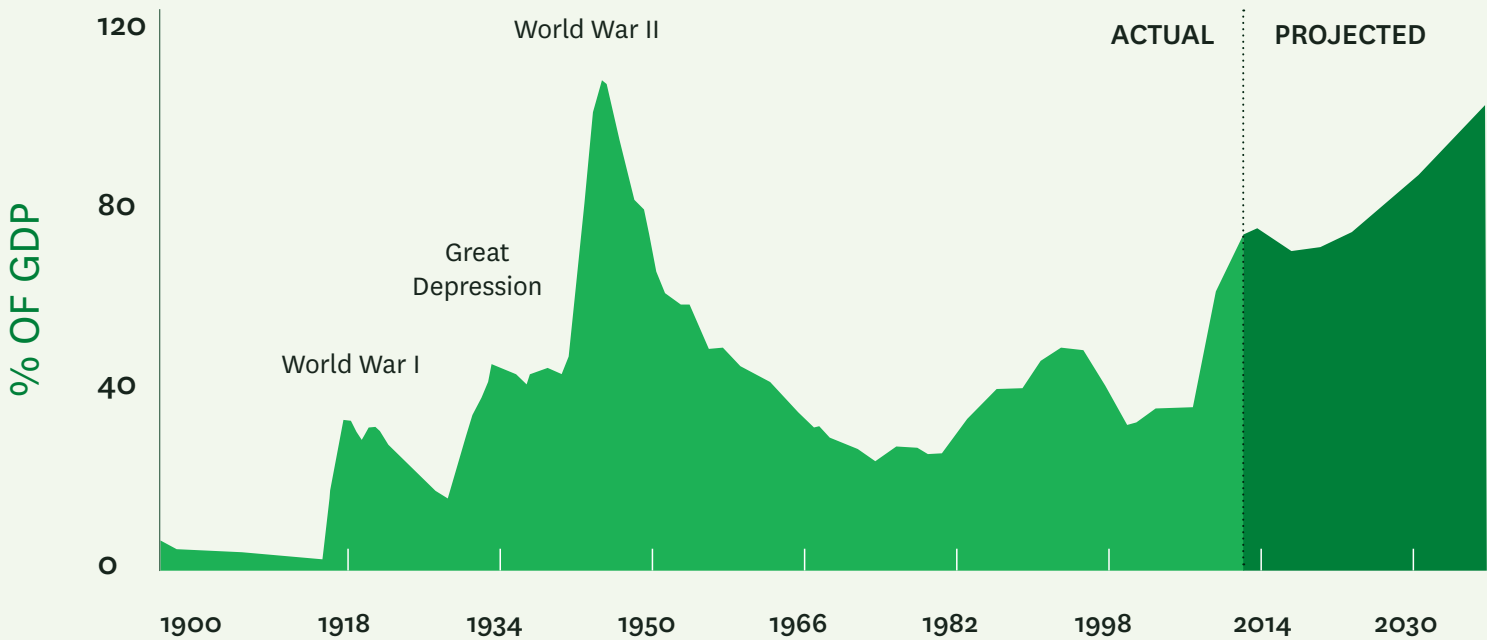
# Problem

## Where We Are Headed

Federal Debt Held By The Public Will Exceed 100% of GDP By 2039

PROJECTED BY THE CONGRESSIONAL BUDGET OFFICE

Federal Debt Held by the Public



Source: Congressional Budget Office



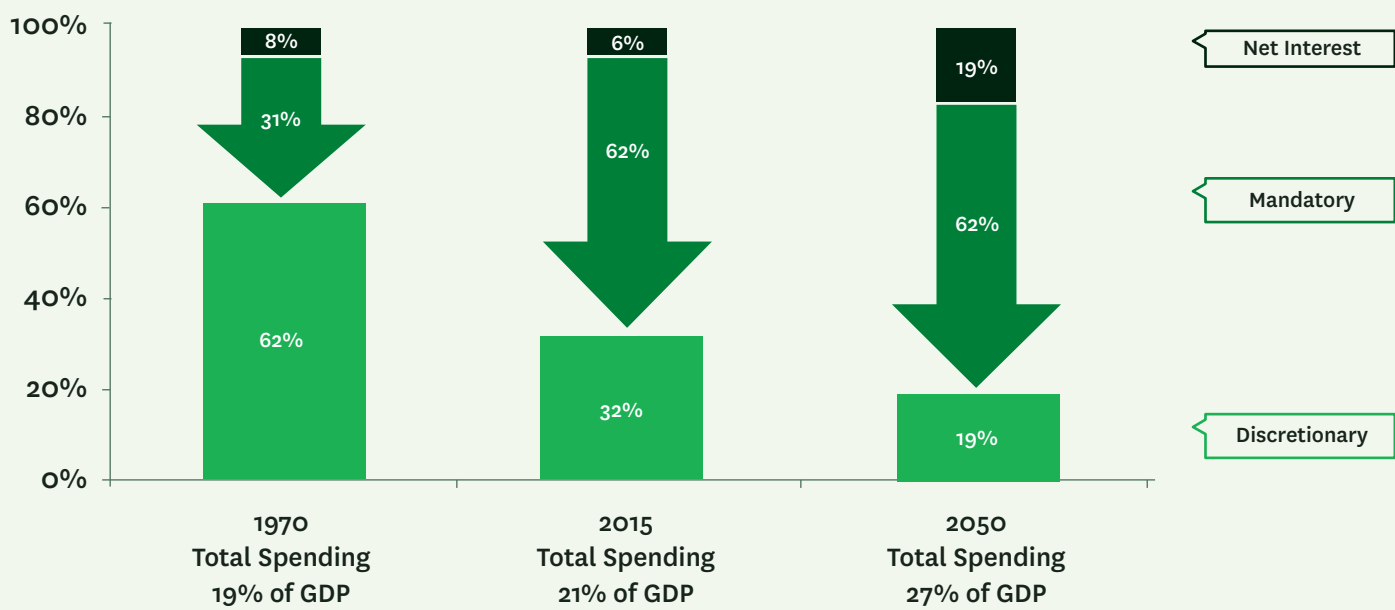
# \$827 Billion

THE AMOUNT THE U.S. GOVERNMENT WILL PAY IN INTEREST ANNUALLY BY 2024

## Mandatory programs and interest costs will take over more of the federal budget, crowding out discretionary programs

A growing share of federal spending will go to support mandatory spending (Social Security, Medicare, etc.) and interest payments with less available for all other government spending on priorities such as education, health research, veterans’ health care, homeland security, defense and the environment.

### % OF FEDERAL SPENDING



Source: Office of Management and Budget Data compiled by Peter G. Peterson Foundation

Note: Projections are from CBO’s extended baseline scenario. Numbers may not sum to totals due to rounding. Mandatory programs include Social Security, major federal health programs, other entitlement programs and offsetting receipts.

BUDGET

# Solve



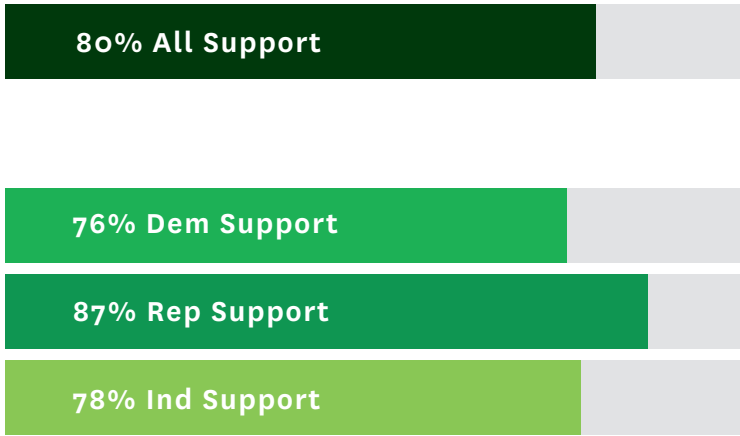


IDEA 48

# Fiscal Responsibility Act

Prohibit Congress from passing budgets that would increase the national debt as a share of the overall economy, except in cases of war, disaster or recession.

Public Support

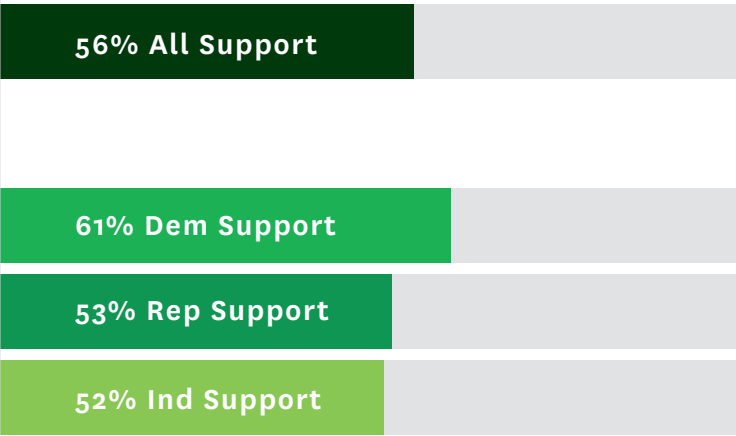


IDEA 49

# Two-Year Budgets

The current budget and spending process in Congress is completely broken, as budget and spending bill deadlines are routinely missed. Implement a biennial budget process, allowing Congress to spend one year on appropriations and freeing up additional time for oversight activities.

Public Support



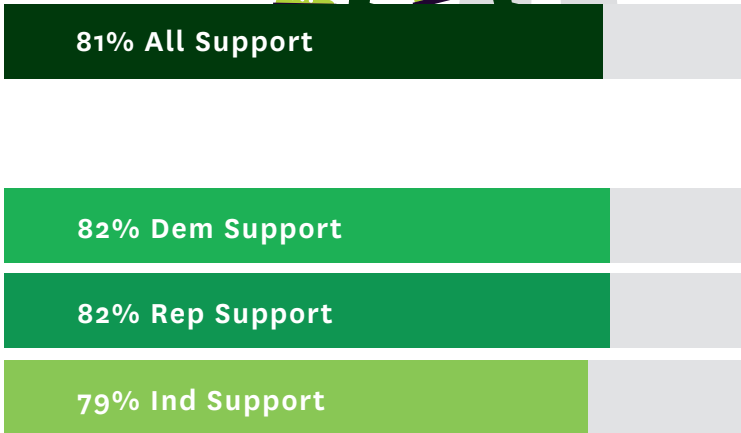
IDEA 50

# No Budget, No Pay

If the congressional appropriations (spending) process is not completed by the start of a new federal fiscal year, congressional pay ceases as of October 1, and isn't restored until appropriations are completed.



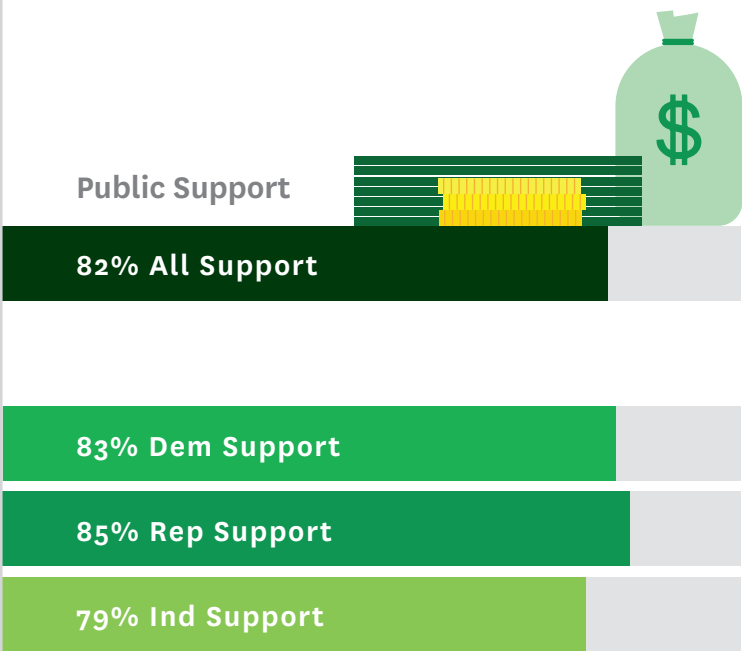
Public Support



IDEA 51

# Buy in Bulk

Require that the federal government buy its goods and services in bulk at lower costs rather than agencies buying goods and services separately. Recent legislation introduced in Congress, the Buy Smarter and Save Act (S. 1304), estimated savings of almost \$10 billion in the first two years and \$7.5 billion in the following three.



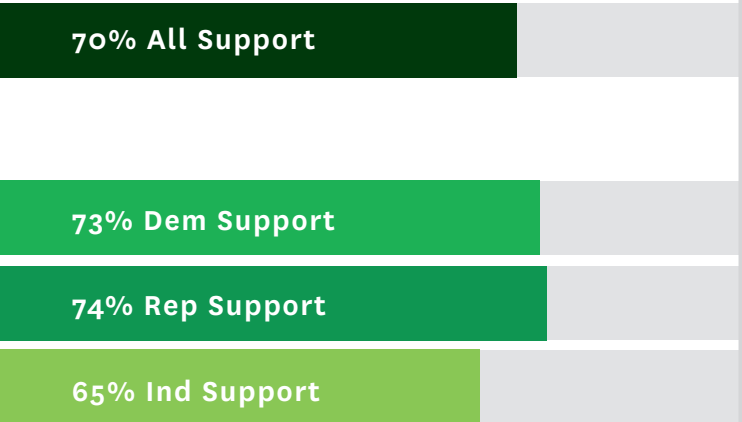


IDEA 52

# Capital Budget to Plan for the Long Term

The federal government has a problem not only with how much money it spends but how the money is spent. Unlike most businesses and many state governments, the federal government essentially treats all spending the same, despite the fact that some kinds of spending (e.g. infrastructure) deliver significant economic return and should therefore be accounted for differently. The federal government budget should be separated into two parts: a capital budget for long-term investments such as research and infrastructure and an operating budget for annual expenses.

Public Support

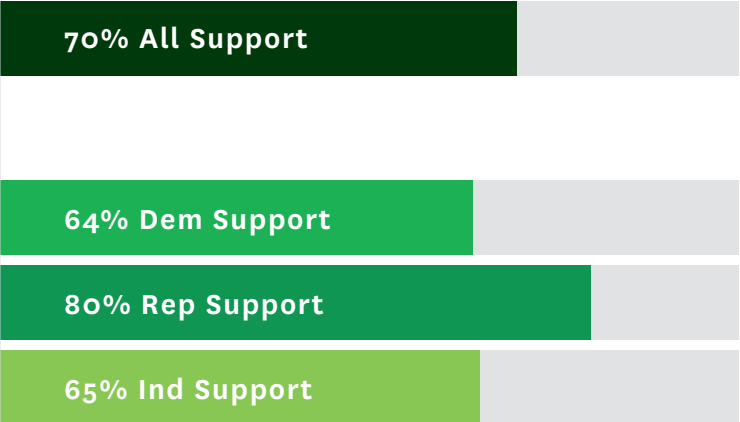


IDEA 53

# Sell Underused Government Assets Such as Real Estate

According to the Office of Management and Budget, the federal government owns 1.2 million buildings, structures and land parcels including 14,000 buildings and structures currently designated as excess and 55,000 identified as under- and not-utilized. Eliminate regulations that limit the sale of valuable but underused federal government assets and buildings, which could create new renovation and construction jobs.

Public Support



GOAL FOUR

# Make America Energy Secure by 2024







For decades, America's political leaders have stressed the need for our country to achieve energy independence. But in a global economy, the U.S. can't expect to completely insulate itself from energy markets.

What we can do is focus on the priority that really matters, which is energy security.

No Labels defines energy security as freedom from harm to our economy or national security from the energy decisions of other countries or acts of nature. Our energy security agenda is focused on three key priorities:

- Decreasing the Share of Oil in Transportation
- Developing a More Sustainable, Less Polluting Energy Mix
- Creating a Smarter, More Secure Electric Grid





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# Policy Principles

No Labels' energy policies spring from the assumption that reforms should:

- Increase all forms of domestic energy, while implementing high safety standards for all production and transportation operations
- To decrease pollution and mitigate the effects of climate change, transition over time to a more sustainable, less polluting energy mix
- Decrease reliance on oil in transportation, as American dependence on the worldwide oil market is a significant energy, economic and national security vulnerability
- Build a smarter, more secure electric grid
- Incentivize more energy efficiency and conservation
- Have the private sector do most of the investing in new energy sources and technologies. Government should focus on funding basic research and creating incentives and broad standards to help America enhance its energy efficiency, sustainability and security

# Problem

## The U.S. is too dependent on foreign oil.

Since the 1970s OPEC embargo, American leaders have understood that the U.S. is far too vulnerable to supply disruptions and price spikes in international oil markets. But there has been a lot more talk than action. We need U.S. leaders to commit to reducing American reliance on oil, particularly in our transportation sector. Two key factoids tell the story.



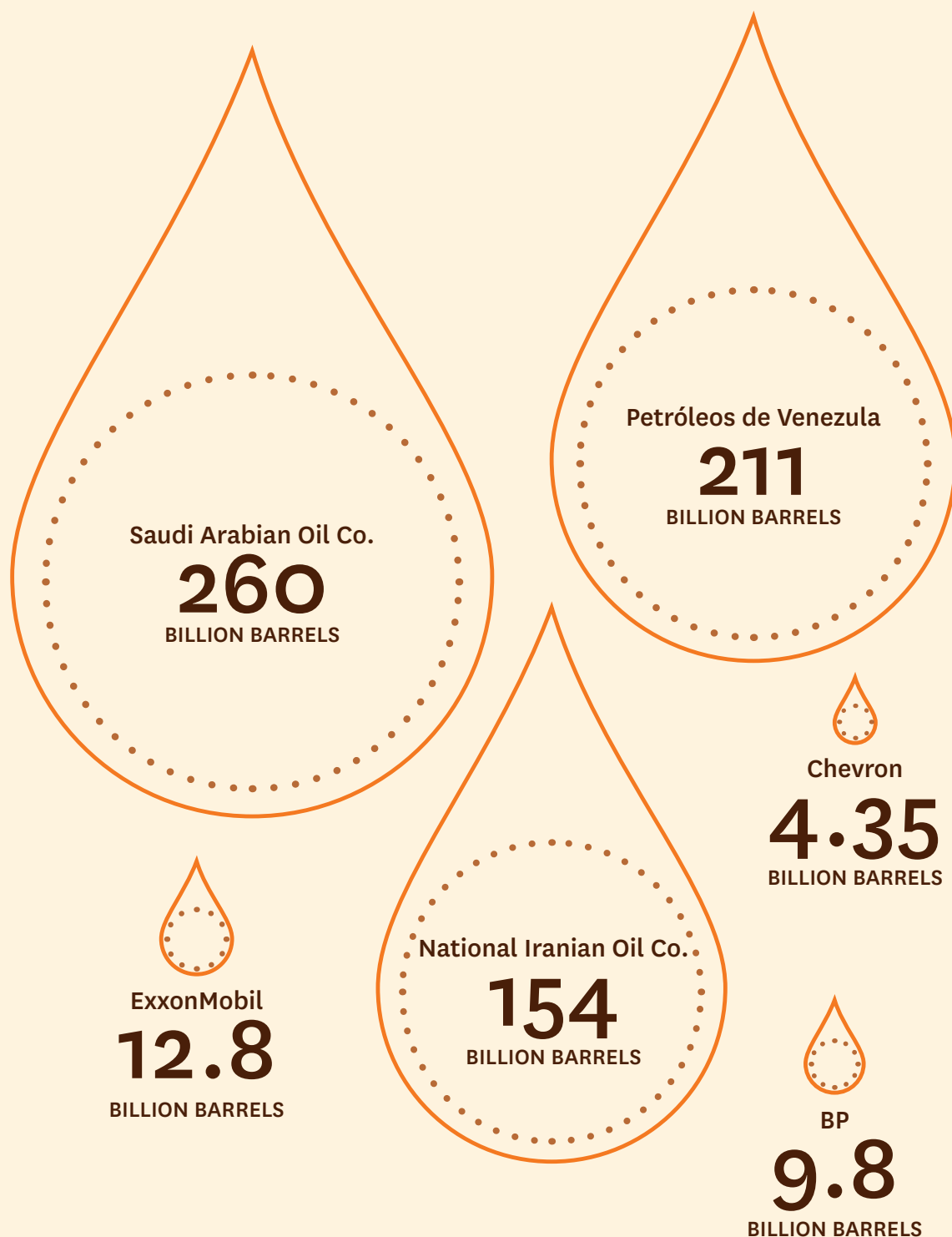
**OIL PROVIDES 92% OF  
THE ENERGY USE FOR OUR  
TRANSPORTATION SECTOR.**



**MOST OF THE WORLD'S OIL IS  
CONTROLLED BY STATE-OWNED OIL  
COMPANIES IN COUNTRIES THAT ARE  
OFTEN HOSTILE TO U.S. INTERESTS.**



## Largest Oil and Gas Companies, by World-wide Oil Reserves



Source: U.S. Energy Information Administration and [Hydrocarbons-technology.com](http://Hydrocarbons-technology.com)

# Solve

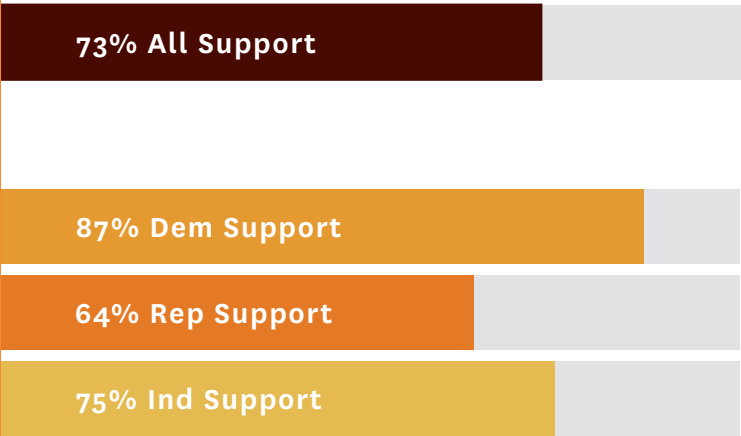
## Dependence On Foreign Oil

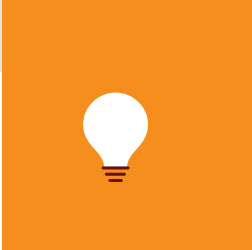
IDEA 54

### Use Government Purchasing to Transition to Cleaner Fuels

Government agencies that are large buyers of vehicles — such as the Department of Defense and the U.S. Postal Service — should prioritize the purchase of vehicles that run on natural gas or electricity.

Public Support



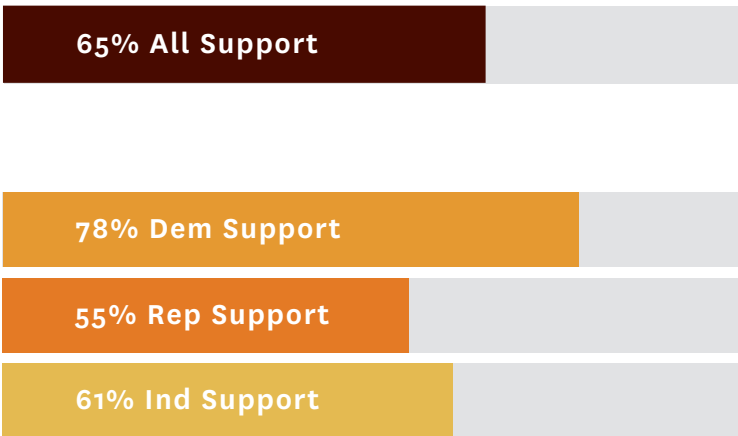


IDEA 55

# Raise Fuel Efficiency Standards

Although current U.S. Corporate Average Fuel Economy (CAFE) standards call for vehicles to get an average of 54.5 miles per gallon by the year 2025, our target still lags behind targets set by China, Japan and the European Union. The U.S. should continue to raise fuel standards for cars and trucks in order to diminish U.S. dependence on foreign oil.

Public Support

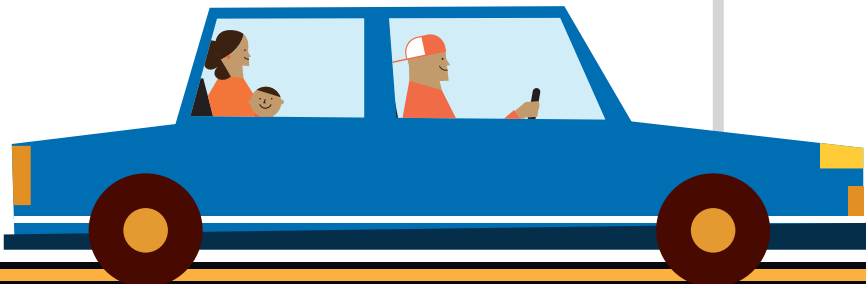
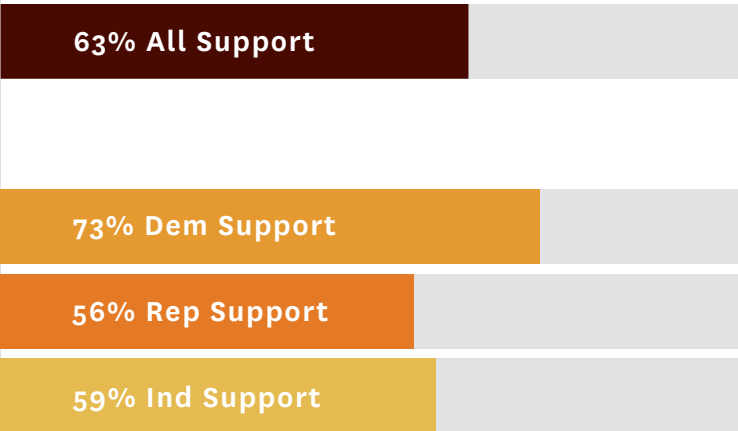


IDEA 56

# User Fee Divided by 3

Increase the federal gas tax with all the revenues split in three equal proportions to: 1) reduce personal income taxes, 2) reduce the federal deficit and 3) provide additional funding for the Highway Trust Fund. This idea is included in the infrastructure section, but an increase in the gas tax would also enhance energy security by increasing the cost of oil-based fuels, which would accelerate the transition to other transportation fuels.

Public Support



# Problem

America's fleet of nuclear, coal and natural gas power plants are aging rapidly.

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To meet U.S. power needs and preserve our environment, the U.S. must replace thousands of power plants that must be retired in the coming decades, with new generating capacity that relies on cleaner energy sources.

7,304

Number of operational power plants in the U.S.

Coal is on the Decline

232 of America's 523 coal plants have been retired due to cost pressures and environmental concerns





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## Average Age of Power Generating Plants by Source

Most power plants  
must be retired after  
40–50 years of use



**COAL**  
37 years old



**NATURAL GAS STEAM TURBINE**  
45 years old



**NUCLEAR UNITS**  
32 years old

ENERGY

# Solve

## Rapidly Aging Power Plants



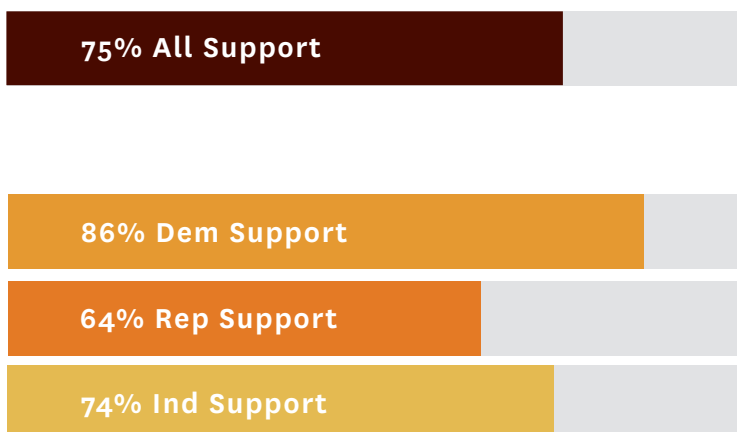


## IDEA 57

## Use Government Purchasing to Encourage Efficiency

Efficiency is one of the most cost-effective ways to reduce energy use and decrease the need for new power generation capacity. Use the government's purchasing power — which can shape entire markets — to promote energy efficiency while protecting the environment. This could be achieved by extending the current 2020 Strategic Sustainability Performance Plans that each federal department and most agencies follow annually, through 2030 with revised greenhouse gas emissions and energy consumption goals.

### Public Support

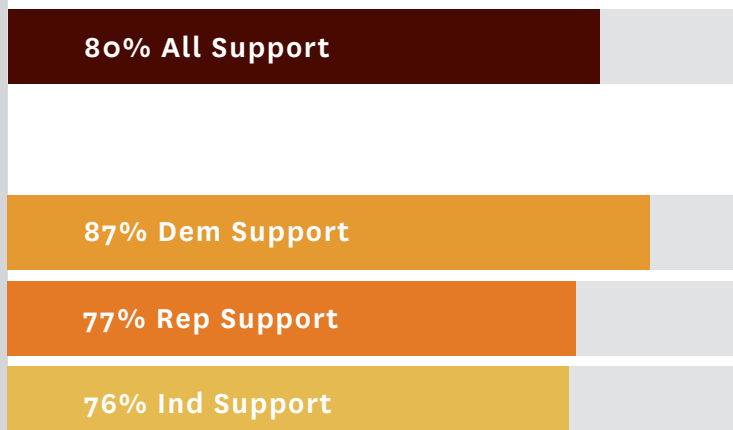


## IDEA 58

## Facilitate Transition to More Sustainable, Less Polluting Power

Change incentives in the energy marketplace to encourage utilities to invest in more sustainable power generation such as nuclear, natural gas, renewables and efficiency. This could include federal incentives to encourage capacity markets instead of competitive markets, which create better price signals for investments in cleaner fuels.

### Public Support



# Problem

Much of America's electrical grid infrastructure is antiquated, aging and increasingly vulnerable to cyberattack.

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**“FOR THOSE WHO WOULD SEEK TO DO OUR NATION SIGNIFICANT PHYSICAL, ECONOMIC AND PSYCHOLOGICAL HARM, THE ELECTRICAL GRID IS AN OBVIOUS TARGET.”**

-Center for the Study of the Presidency and Congress



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# \$243 Billion

According to insurer Lloyd's of London, this would be the total economic cost of a severe, yet plausible, cyber attack against the power grid in the Northeast United States.

ENERGY

# Solve

Vulnerable Electrical  
Grid



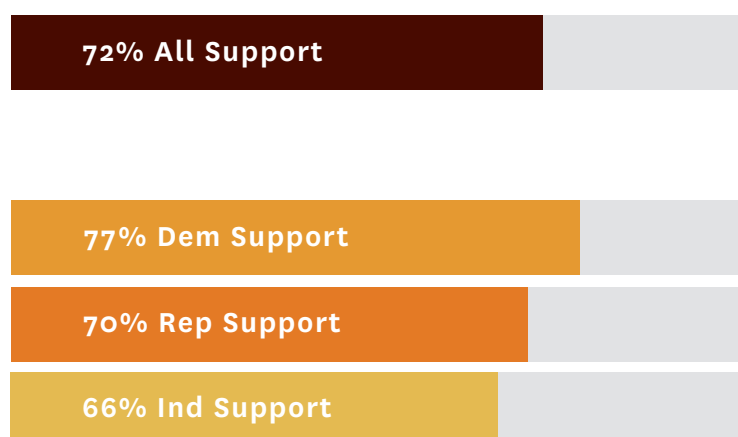


## IDEA 59

## Create an Energy and Environmental Security Trust Fund

Use royalties from oil and gas drilling on public lands to fund an Energy and Environmental Security Trust fund that invests in basic research to improve energy security (e.g. new nuclear reactor designs, power storage, advanced electrical grid technology, etc.). Royalties to the federal government from oil and gas leases on federal lands will total approximately \$115 billion over the 2016-2025 budget window and some or all of these funds could be placed in the Trust Fund.

### Public Support

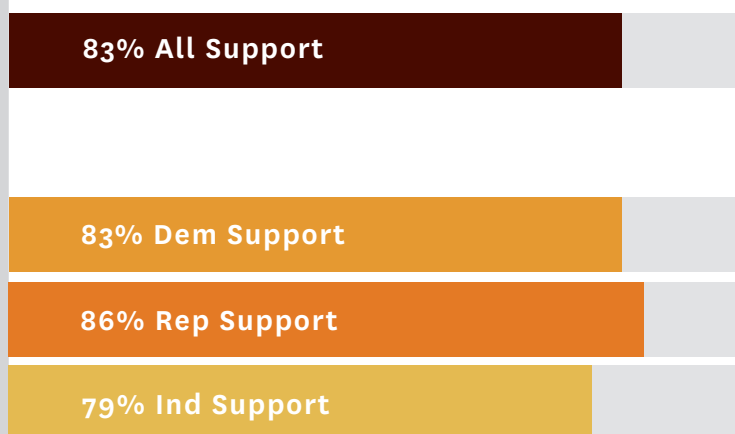


## IDEA 60

## Grid Modernization Initiative

In order to protect the U.S. electric grid from cyber attack and ensure a smart electric grid is deployed across the U.S., develop robust requirements and incentives to enable utilities to meet stringent standards in cybersecurity and digital technologies. The Department of Energy (DOE) should begin a Grid Modernization Initiative that would create new tools, technologies and standards for system control and power flow; grid security and resilience efforts; and risk management processes. These initiatives would be implemented with state agency assistance and DOE would provide financial assistance to states to integrate grid security solutions.

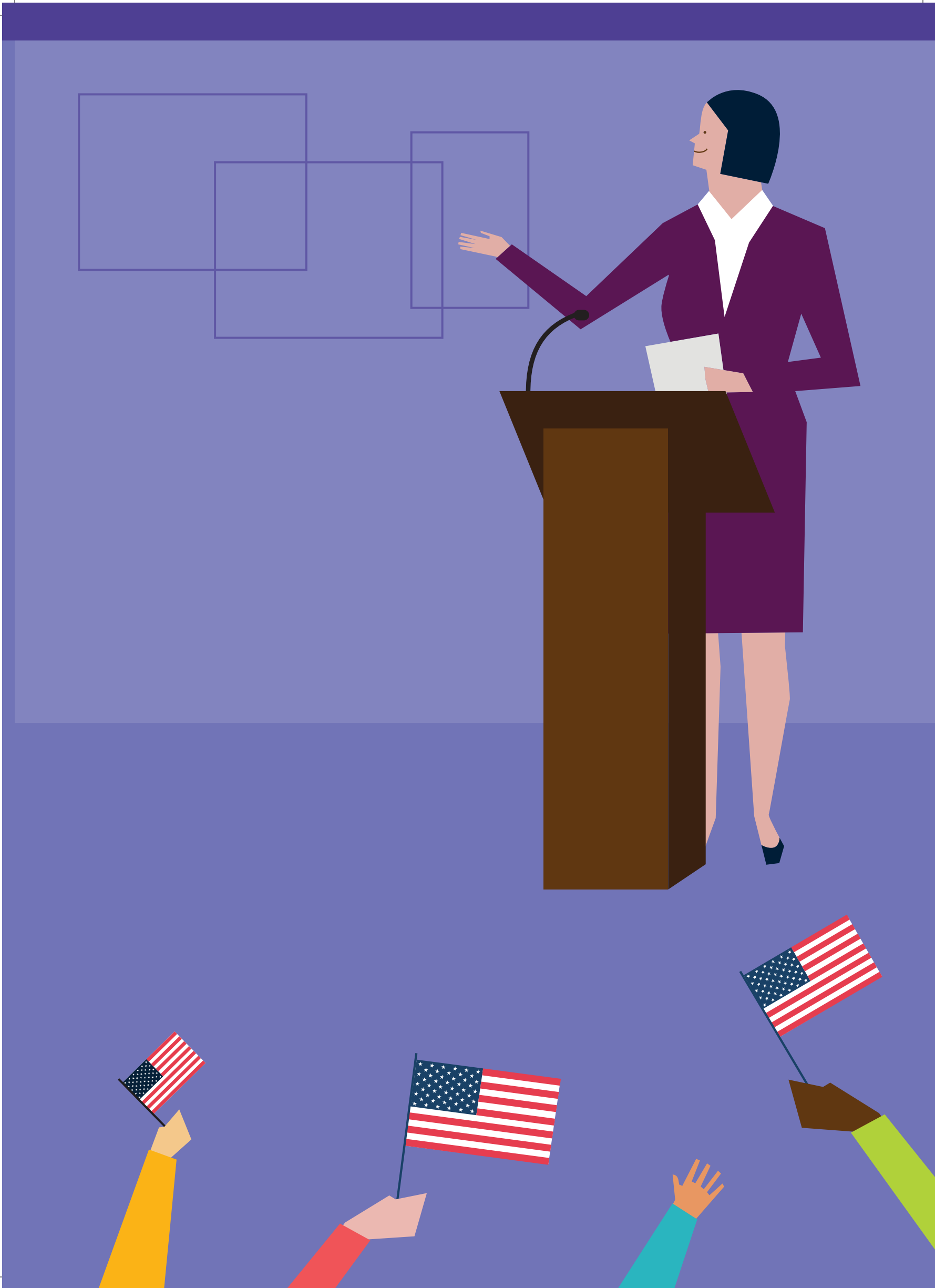
### Public Support



# Make Government Work

A Vision For More Efficient,  
Effective and Responsive  
Government From No Labels  
And The Partnership for  
Public Service





The American public expects much from our federal government and its workforce: the civil servants on the front lines caring for veterans, finding cures for diseases, providing building blocks for economic growth and preparing for the unthinkable — a terrorist attack, a pandemic or a financial crisis.

Unfortunately, the American people no longer trust government to deliver the performance they expect and deserve. A recent Pew Research Center poll found only 20% of Americans describe government programs as being well run, and just 19% trust government “always or most of the time,” a rating lower than just after the 1974 Watergate scandal.

It’s hard to imagine reaching any of No Labels’ four *National Strategic Agenda* goals unless this troubling trend turns around. After all, a policy can only be as effective as the government that is implementing it.

The government must perform better and the public must once again trust that it can address our nation’s most pressing challenges.

This requires skilled employees serving under exceptional leaders in a system suited for the 21st century. It requires agencies to do a better job serving citizens, businesses and state and local governments. And it requires a more effective presidential transition process that enables the new president to hit the ground running upon entering office.

In short, government needs a comprehensive overhaul to keep pace with a changing world and the needs of the citizens. The following recommendations, prepared for No Labels by the Partnership for Public Service, suggest a plausible path forward.

# Policy Principles

No Labels and the Partnership for Public Service's recommendations on government effectiveness spring from the assumption that:

- It is not about whether government is too big or too small, it is about whether or not it is effective
- All good organizations start with good people, and government is no exception. Our nation is fortunate to count some of the brightest, most dedicated professionals among its ranks, but they are impeded by outdated systems
- Our focus is on the executive branch because that is where national policy gets implemented
- When we refer to government management, we are talking about implementing policy and delivering results for the American people
- While there are many areas in need of reform, we have prioritized three: reforming how government hires and manages its people, delivering better customer service and improving presidential transitions.



**PARTNERSHIP FOR PUBLIC SERVICE**

# Problem

## Hiring and Management

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Designed decades ago, the federal personnel system governing more than two million federal civilian employees is a relic of a bygone era, reflecting the needs and characteristics of the last century's workforce. While the world has changed dramatically, the civil service system has remained stuck in the past, serving as an obstacle rather than an aid in attracting, hiring, retaining and developing skilled employees.

It's time for Congress to pass legislation that directly addresses the most severe problems in the government personnel system.

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## Disconnected

Federal pay is disconnected from the broader job market, failing to distinguish between the different skills and demand for occupations.

## Takes Too Long

On average, it takes at least three times longer for federal agencies to hire employees than it does in the private sector.

## Little Accountability

In a 2015 federal employee survey, only 28% of the respondents agreed with the statement, “in my work unit, steps are taken to deal with a poor performer who cannot or will not improve,” and only 21% believe pay raises depend on how well employees perform in their jobs.

## Aging Workforce

Only 6% of the federal workforce is made up of people younger than 24 compared to 23% of the total U.S. workforce.

MAKE GOVERNMENT WORK

# Solve

## Hiring and Management

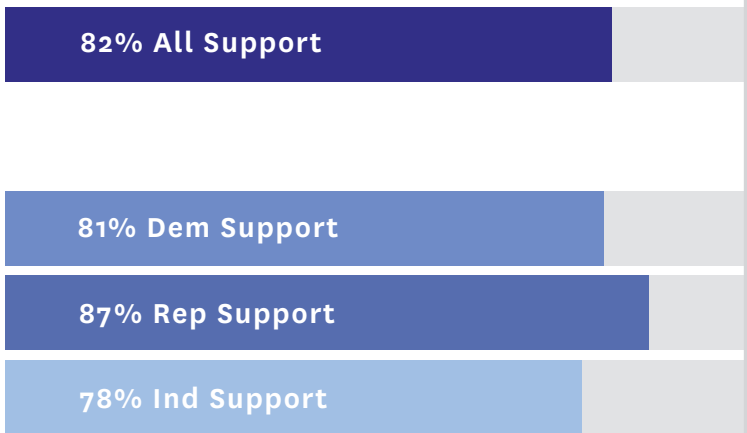
The American public is broadly supportive of efforts to bring more accountability and flexibility to the way the government hires and manages its people.



# More Flexibility in Federal Human Resources

Provide greater flexibility for the federal government to identify, hire and promote highly qualified employees, and to hold poor performers accountable.

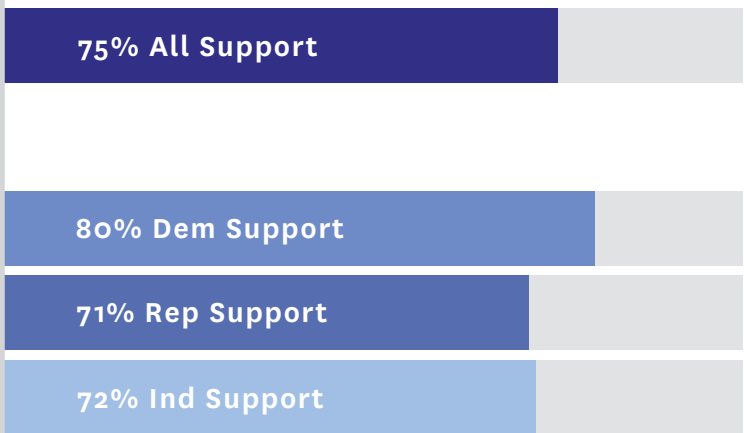
## Public Support



# Market-Based Pay for Federal Workers

Establish a system that sets pay for federal workers at levels roughly comparable to that of major private sector employers.

## Public Support

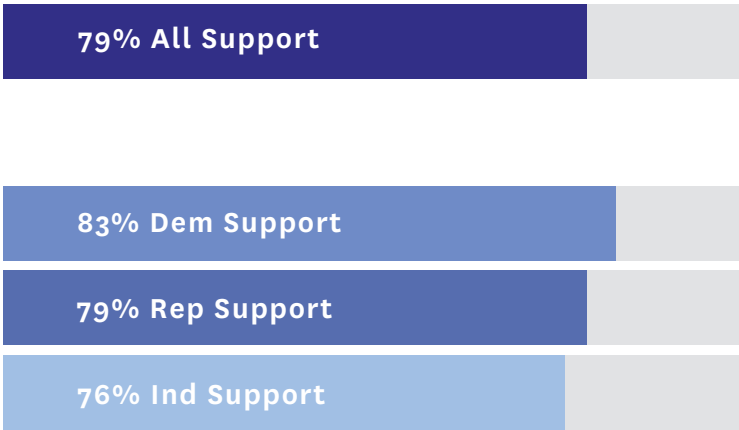


# Improve Senior Manager Recruitment, Training and Compensation



Improve the way government’s senior managers and executives are recruited, trained and compensated.

Public Support

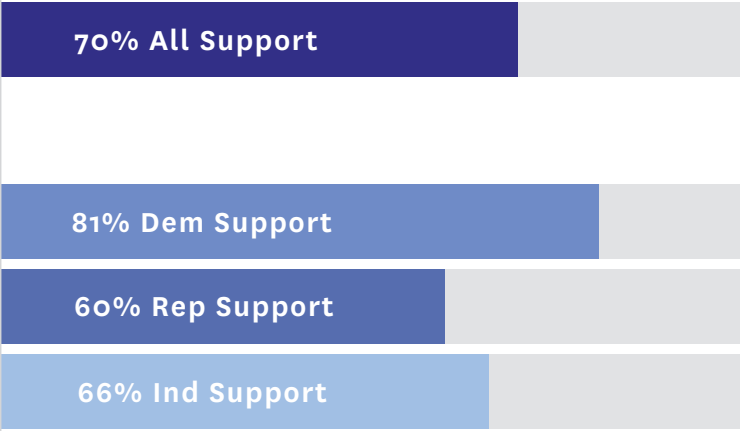


# More Young People in the Federal Workforce



Engage in an active campaign to recruit young people to the federal workforce.

Public Support





# These attitudinal findings helped inform No Labels and the Partnership for Public Service's federal workforce reform recommendations.

## AN INTEGRATED PERSONNEL SYSTEM

The federal civil service has a patchwork of different personnel systems, with some agencies exempted from all or part of the civil service rules and other agencies still bound by the outdated requirements. Build a civil service system that is far more unified and operates as an integrated enterprise, one that has a common set of rules and levels the playing field in the competition for talent.

## MARKET BASED PAY

The federal workforce struggles under a pay and job classification system that is neither market nor performance sensitive. Adopt a market-sensitive compensation system that sets pay based on occupation and by geographic area for white-collar professional and administrative positions. The system should establish pay levels roughly comparable to that of major private sector employers for similar jobs.

## LESS PROCESS, BETTER PEOPLE

Over the years, various laws and process requirements have complicated the federal hiring process. Give agencies greater flexibility in hiring without compromising such core principles as veterans' preference, merit-based selection, diversity and equal

opportunity, while employing new assessment tools capable of identifying the best qualified from among large numbers of candidates.

## MORE ACCOUNTABILITY

There is an absence of clarity and consequence regarding individual and organizational performance. Improve the performance management system, ensuring that supervisors and managers have the skills necessary for it to work and making it consequential by awarding pay raises only to those employees and managers who perform above expectations.

## REVAMP THE SENIOR EXECUTIVE SERVICE

Federal career leaders need to be strategic thinkers, problem solvers and top-flight managers, but insufficient attention is paid to identifying, developing, recruiting and selecting talent for the Senior Executive Service, the government's career leadership corps. Revamp the system used to attract, hire, develop and compensate senior career leaders. In addition, efforts should be made to build on an Obama Administration pilot initiative to encourage senior executives to rotate assignments by periodically moving within and across agencies to gain broader experience and perspective.

# Problem

## Customer Service

Providing excellent services to citizens, businesses and other organizations is integral to the missions of most federal agencies. The federal government has pockets of excellence where customers are well-served, but overall falls short of what citizens expect and deserve.

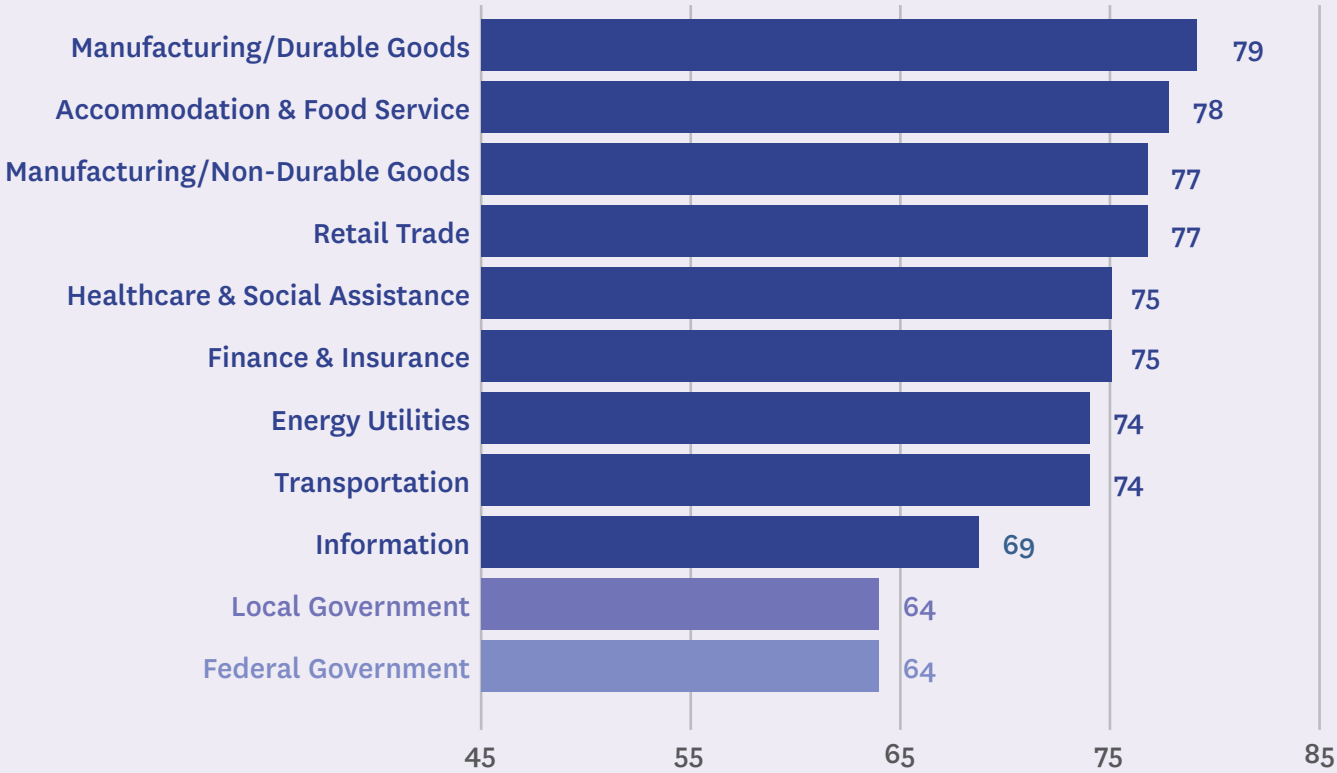
The federal government ranks last behind nine major industries measured by the American Customer Satisfaction Index.

The fallout from poor service has many ramifications, from veterans with serious health problems waiting months for care due to flawed scheduling; students losing out on college aid because the application process is too complex; or businesses unable to get a loan guarantee or meet regulatory requirements because of unclear, slow or low quality assistance from an agency. The failure of federal agencies to meet high customer service standards diminishes trust in government, results in lower levels of compliance and makes it harder to meet mission goals.

It's time for Congress to amend current laws to better enable agencies to measure and improve their interactions with the public.

# Citizen Satisfaction With Government Service Has Hit Rock Bottom

## Public and Private Sector Comparisons



Source: The American Customer Satisfaction Index Federal Government Report 2015 (scale of 100)

## Too Little Information

Legal barriers prevent federal leaders from obtaining and sharing citizen data to improve public services. Some laws, like the Privacy Act haven't been updated to reflect the realities of the digital age.

It often takes nine months and multiple steps for agencies to get approval to collect new types of customer data for 10 or more members of the public.

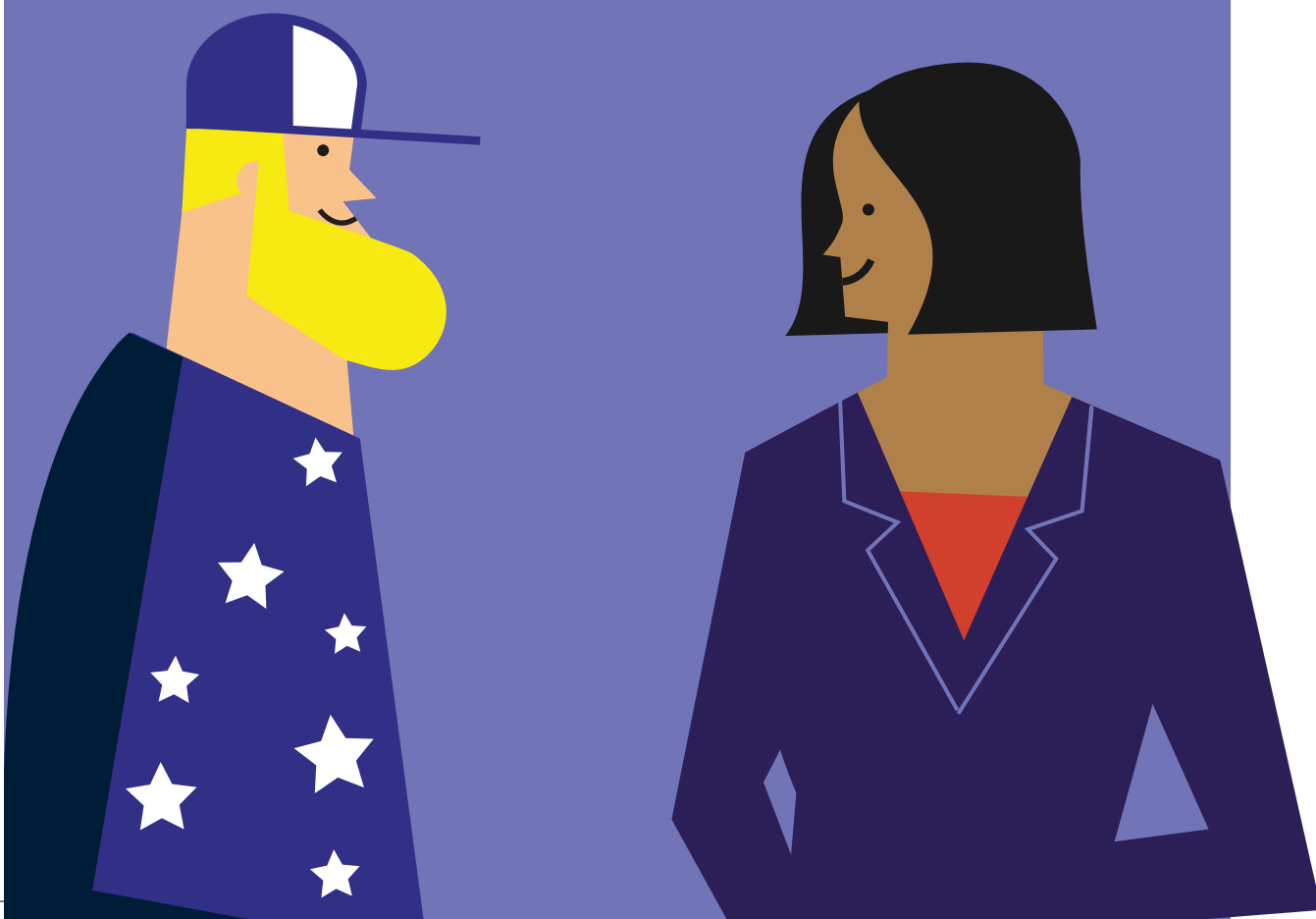
## There Are No Standards

There are no consistent government-wide standards for measuring the quality of services that federal agencies provide to citizens and businesses.

MAKE GOVERNMENT WORK

# Solve

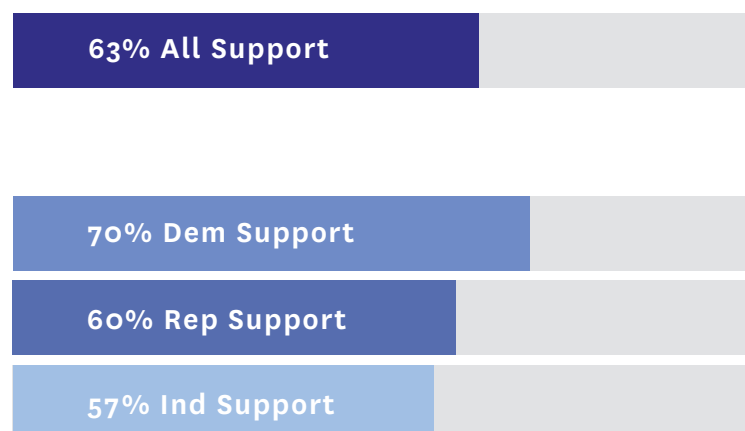
## Customer Service



# Better Information Sharing, Better Service

To improve service to the public, federal agencies should collect, use and share customer service information to streamline services and improve interactions with the public.

## Public Support



Here are a few ways to enhance data collection and information among federal agencies:

### REVISE PAPERWORK REDUCTION ACT

Congress should remove unnecessary obstacles that impede federal agencies from collecting customer experience data regarding the delivery of federal services, clarifying that the law does not apply to voluntary customer feedback to federal agencies.

### AMEND THE PRIVACY ACT OF 1974

Congress should give agencies more flexibility to securely share customer information to help them to streamline services, especially when customers have explicitly authorized agencies to do so.

### STANDARDIZE CUSTOMER DATA COLLECTION

Congress should require agencies to collect comparable customer service data on the most important services and transactions to compare customer satisfaction across government and target improvements where they are needed most. The data should be publicly available to ensure that agencies are held accountable for the quality of their services.

# Problem

## Presidential Transition

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The peaceful transfer of power from one president to the next is a hallmark of American democracy. But behind the pomp and pageantry, the transition between administrations is often rushed and chaotic. A lack of thorough preparation could place the nation in jeopardy in the event of a major domestic or global crisis in the early days of an administration and seriously impede the implementation of its policy priorities.

While presidential candidates need to focus on campaigning, they must simultaneously lay the groundwork for a well-organized transition, have a framework in place before the summer of 2016 and be prepared to hit the ground running from the very first day in office.

In March 2016, Congress passed a law to ensure greater cooperation between the outgoing and incoming administrations. The legislation facilitates greater information-sharing between the White House, the candidates and the agencies, and gives federal career executives an important role in the transition process. Now it is incumbent upon leaders to make use of the law and ensure a seamless transition of power.

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## Too many political appointees

There are about 4,000 political appointments, including more than 1,000 who require Senate confirmation.

## Confirmation delays

The Senate takes too long to confirm appointees. During a president's first year in office, less than 30% of the top political appointees historically have been filled by the August congressional recess.

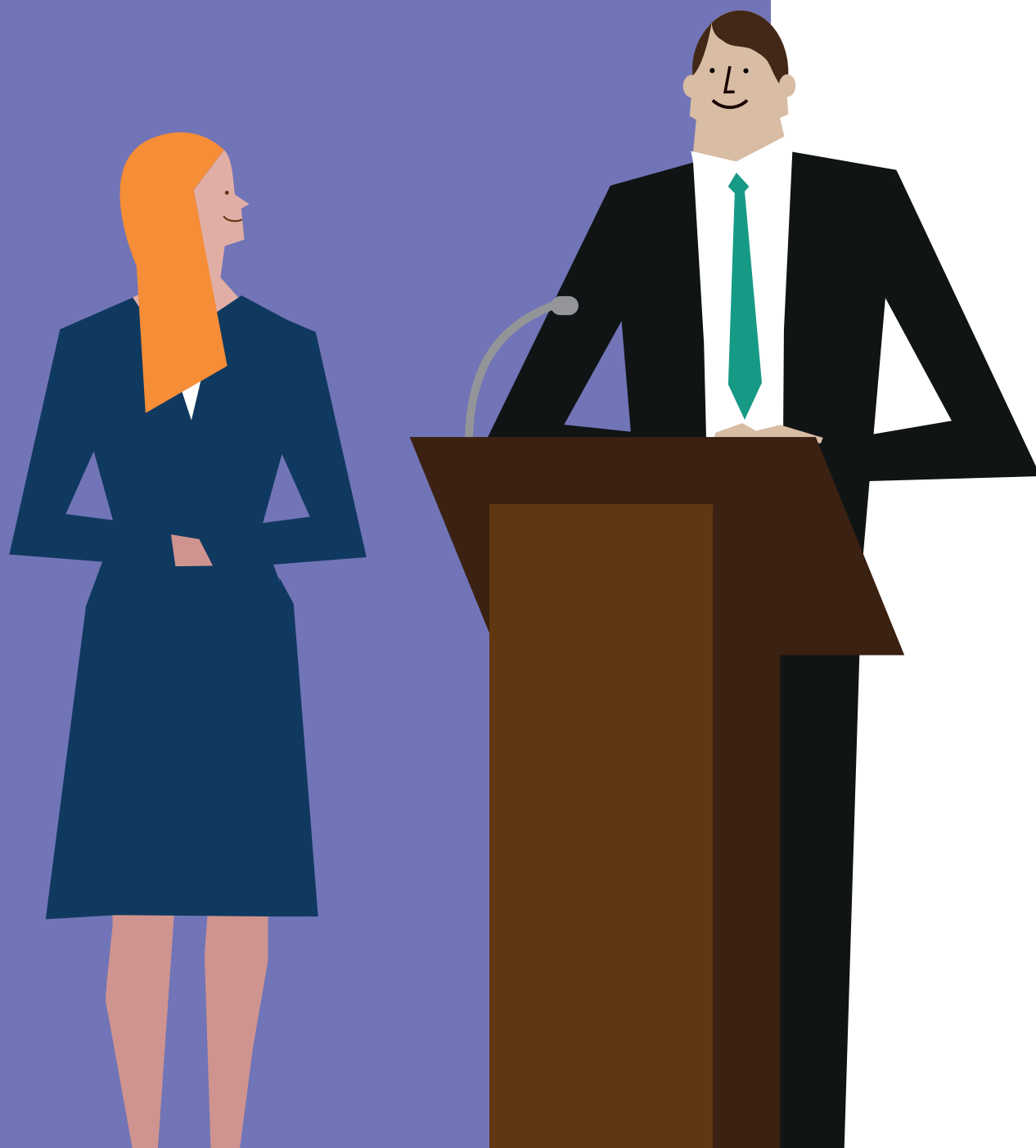
## Lack of cooperation

There is often a lack of cooperation and coordination between the outgoing and incoming administrations.

MAKE GOVERNMENT WORK

# Solve

## Presidential Transition

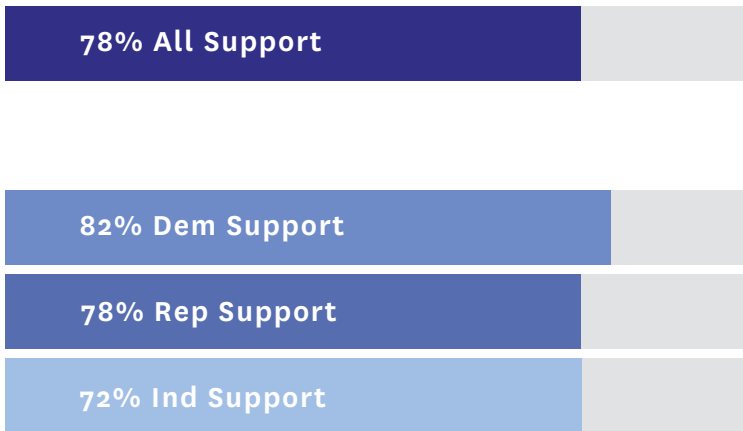




# Presidential Nominees Should Plan Transition Earlier

To ensure seamless handover of power when a new administration takes office, the presidential campaigns of both major parties should begin preparing a detailed transition plan to take charge of the government well before Election Day.

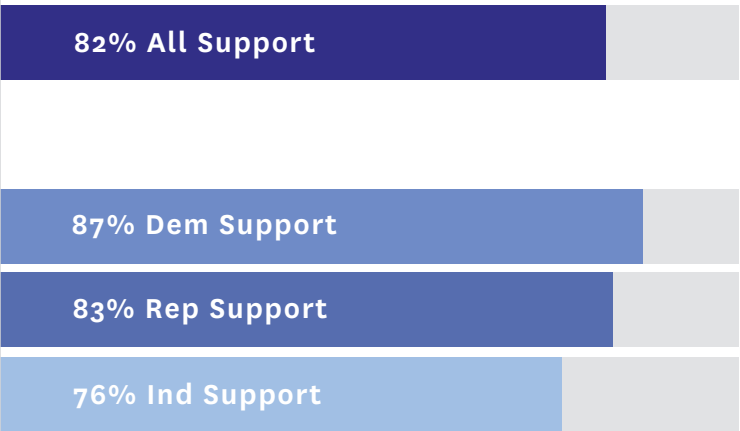
## Public Support



# A Confirmation Slate That Can't Wait

The next president and the Senate must work together to quickly fill the top government leadership positions to ensure steady management of federal agencies and to carry out the new administration's policy priorities.

## Public Support



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# Here are a few ways to improve and accelerate the presidential transition process.

## Early Transition Planning for Candidates

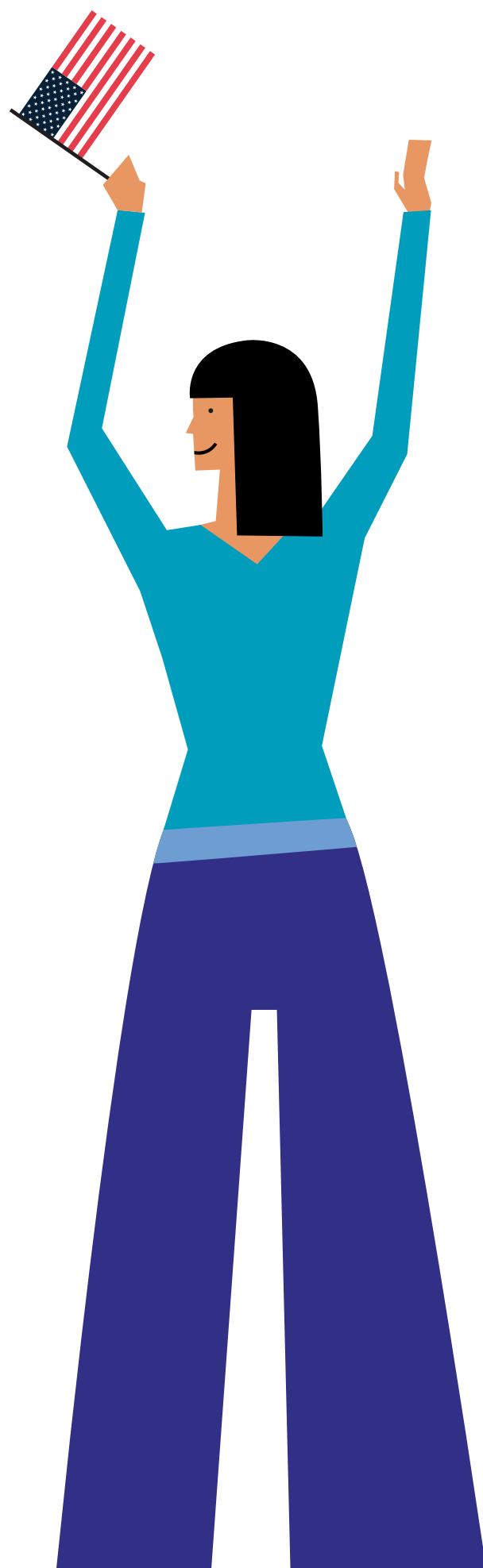
The presidential candidates should name a transition chairman who can have an effective transition office up and running before the summer of 2016, and be ready to take advantage of a 2010 federal law that provides office space, computers and other assistance to the major party candidates immediately following the nominating conventions and a 2016 law that provides improved access to the work of federal agencies. The presidential transition teams should begin early to plan the new administration's policy agenda, develop a management strategy for implementing the priorities, devise a plan to steer the work of the federal agencies and identify top-level appointees.

## Speed up the Senate Confirmation Process

More than a year after the 2008 financial crisis, the Treasury Department still didn't have an assistant secretary for financial markets. In the middle of fighting wars in Iraq and Afghanistan, there was no Secretary of the Army. And on 9/11, the Bush Administration still didn't have a full national security team in place. These are the consequences of a broken presidential appointments process.

## Fewer Political Appointees

Congress eliminated Senate confirmation for 163 politically appointed positions in 2012, but it did not go far enough. Congress should drastically cut the number of Senate confirmed positions that now number about 1,000, including management and non-policymaking jobs, to help reduce the confirmation backlog and allow the new president get his or her team in place more quickly. A number of the other 3,000 political appointments should be eliminated.



# ***Make The Presidency Work!***

Eight Ideas To Revitalize  
The Office Of The Presidency



# Problem

American presidential candidates always make more promises than they can keep.

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This frustrates voters, but it might delight America's Founders. They designed a system of government where presidents can't deliver on every promise because they have to share power with Congress and the Supreme Court.

But Americans still expect a lot from our president.

"The Buck Stops Here" wasn't just a sign on Harry Truman's desk. The phrase distilled how Americans think about the office of the presidency. We expect our presidents to make tough decisions and to solve big problems.

Unfortunately, modern presidents increasingly don't have the necessary tools to deliver what the American people demand. Almost 40 years after Congress began the post-Watergate roll-back of the "Imperial Presidency," America's chief executive now arguably faces too many impediments to enacting his or her agenda.

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Some impediments are political — the rise of partisan polarization that makes it harder for a president to gain bipartisan support for legislation. Some of the impediments are institutional — obsolete rules and procedures that make it harder for presidents to act. And some are informal — White House norms and habits that diminish public trust.

It all adds up to an office of the presidency that has become too insular, too political and less effective.

In 2012, No Labels first released our *Make the Presidency Work!* action plan to address these problems. As America prepares to elect a new president in 2016, we are presenting here some of the plan's key ideas to ensure our next president — whoever it is — has more effective governing tools.

To understand why the office of the presidency so badly needs reform, we need to keep two competing ideas in mind: that the president can be both very powerful and almost powerless at the same time.

The president is the chief executive of the biggest organization in the world, but often can't hire the right people to help run it.

The president can work with Congress to launch a new government agency to meet the needs of the early 21st century, but can't easily reform an old agency designed in the early 20th century.

The president can pass historic legislation, but those bills are increasingly stuffed with unwanted, irrelevant provisions. These are the types of problems that have bedeviled presidents of both parties for too long. Here are eight common sense ideas to solve them.

MAKE THE PRESIDENCY WORK

# Solve

No Labels has  
developed eight ideas  
to revitalize the office  
of the President.





# 1.

## Regular News Conferences for the President

President Franklin D. Roosevelt averaged nearly seven news conferences a month. But over the last two decades, presidents have averaged only about two a month. This isn't good for our democracy. News conferences offer a rare opportunity for the media and the American people to break through the spin, speeches and press releases to force presidents to answer tough questions about pressing issues and to be accountable to the voters who put them in office.

Our solution is simple: presidential candidates should commit to holding at least one news conference per month. We want a regular news conference on the agenda — not just when it serves the president's agenda. In addition, the president should participate in twice-a-year citizen news conferences, where citizens could ask questions via email, Twitter and other social media platforms.

# 2.

## Fast Track Legislative Authority for the President

Partisanship and legislative shenanigans often allow a small number of congressional members to block consideration of bills. Twice a year, the president should be able to introduce legislation directly to Congress for a fast-track vote, which would allow the legislation to pass with a majority vote and without amendments. Congress has granted the president similar authority to negotiate trade deals in the past, and some states allow their governors to submit their budgets as fast-track bills.

To qualify for fast-track status, legislation would require 10 sponsors from each party in the House and five sponsors in each party in the Senate. Bipartisan presidential commissions would have similar fast-track authority for their final report if it is in legislative form.

## 3.

### Make the Parties Pay for Presidential Fundraising

When presidents crisscross the country on fundraising trips, they typically net millions of dollars for their campaigns or those of other elected officials. But they cost the American taxpayer millions, too — to the tune of \$180,000 for every hour Air Force One is in the air. Although Federal Election Commission rules require presidential campaigns to reimburse the cost of political travel, campaigns often game these rules by padding political trips with official business.

With presidential fundraising travel increasing exponentially in recent administrations, taxpayers are footing a bigger and bigger bill every year. We need a bright line between the president's official and political roles. Any trip with any fundraising activity at all should be classified as political travel, and the necessary air travel, lodging and other trip expenses should be paid in full by the president's party or campaign.

## 4.

### A Line Item Veto With a Twist

During debates on spending bills, senators and members of Congress often tack on provisions that have nothing to do with the substance of a bill. The president then has to choose, veto pen in hand, whether to throw the baby out with the bathwater or accept some really unappealing bathwater.

The result is lots of irrelevant provisions that hijack the legislative process, reduce the chance that important bills will pass, and often lock our government into unwanted and unnecessary spending.

Presidents should be given expedited rescission authority, which would give them similar power to the line-item veto authority that enables 44 state governors to remove provisions from spending legislation. A straight line-item veto — which would allow the president to eliminate specific spending provisions passed by Congress — is unconstitutional. But rescission — by which the president has to send each elimination request back to Congress for an expedited, up or down vote — is legal. Expanded presidential rescission authority already has broad bipartisan support in Congress from members who want more transparency and accountability in the legislative process.

# 5.

## Question Time for the President

The American public rarely gets to see our leaders truly debate the issues. Instead, we get politicians talking past one another with warring talking points.

America should take a cue from the British Parliament's regular questioning of the prime minister to create question time for the president and Congress. These meetings occasionally get contentious, but at least they force leaders to actually debate one another and defend their ideas.

Here's how it would work: on a rotating basis the House and Senate would issue monthly invitations to the president to appear in the respective chamber for questions and discussion. Each question period would last 90 minutes and would be televised. The majority and minority would alternate questions. The president could, at his or her discretion, bring one or more cabinet members to the question period and refer specific questions to them.



## 6.

# Expanded Presidential Power to Reorganize

Call it the great paradox of presidential power: in the nuclear age, the president can reorganize the planet with the push of a button, but he cannot reorganize his or her own cabinet. Every new president comes into office promising to streamline government. Most fail because eliminating or reorganizing government agencies involves turf battles with the congressional members and committees that fund them.

No wonder a 2012 review by the Government Accountability Office found 32 cases where different departments were essentially performing the same task, costing taxpayers billions of dollars.

It's time to give presidents a chance to reorganize government by reviving the authority given to every president from Franklin Roosevelt to Ronald Reagan.

In the 1930s, Congress passed The Reorganization Act, which allowed presidents to consolidate departments while maintaining a measure of congressional oversight.

Over the next 50 years, presidents submitted more than 100 reorganization plans to help the federal government adapt to changing times. But the Act lapsed in 1984, and hasn't been renewed since.

In 2012, No Labels co-chair and former Sen. Joe Lieberman co-sponsored a bill that would essentially revive the Reorganization Act by empowering presidents to reorganize — or even eliminate — redundant parts of the federal government, provided the president's proposal improves efficiency and reduces costs. No Labels believes legislation modeled on this bill should be passed immediately.

## 7.

### Different Opinions, But the Same Facts

One of the chief obstacles to fixing America's finances is that no one agrees what's really on our balance sheet. When leaders in Washington debate our budget, they routinely use different baselines, projections and assumptions, which often conveniently support whatever policy they are pushing at the moment.

The American people deserve to know what's really happening with our nation's finances, and Congress should be able to work off the same set of numbers. That's why every year, a nonpartisan leader, such as the Comptroller General, should deliver a televised fiscal update in-person to a joint session of Congress.

The president, vice president, all cabinet members, senators and members of Congress must attend this fiscal update session. They must take individual responsibility for the accuracy and completeness of the fiscal report by signing it, just as CEOs are required to affirm the accuracy of their company's financial reporting.

## 8.

### Regular Meetings Between the President and Congressional Leadership

Leaders from opposing parties increasingly don't like each other, don't listen to each other and hardly know each other. It took nearly 20 months for President Obama and Senate Minority Leader Mitch McConnell to first meet one-on-one. And President Bush rarely met with Senate Majority Leader Harry Reid. Presidents regularly go months without speaking to congressional leaders of the opposing party, making delicate negotiations that require real trust and communication virtually impossible.

In the grand tradition of President Reagan and Democratic House Speaker Tip O'Neill — two political rivals who nonetheless understood there was a time for politics and a time for governing — presidential candidates should commit to meet with majority and minority party leaders in the House and Senate at least once a quarter.

President Reagan once commented that O'Neill "can really like you personally and be a friend while politically trying to beat your head in." But Reagan and O'Neill were also willing to come together to pass historic tax reform and to keep Social Security solvent. That never would have happened if they weren't initially willing to sit in the same room together. It's time for our current leaders in Congress and the White House to do the same.

# Where We Go From Here



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The *National Strategic Agenda* has always been based on a simple premise:

To solve a problem — any problem — you need to set goals, get people to buy into those goals and put a process or plan in place to achieve them.

This is how any well-run organization makes decisions.

This is how tough decisions should be made.

With the ***No Labels Policy Playbook for America's Next President***, No Labels has provided a realistic road map for our next president and Congress to begin making real progress against four goals that matter to the American people.

We don't expect our next president and Congress to embrace every idea in this book. Ultimately, legislators must embrace the difficult give and take to find solutions to the many problems we identify.

But we do expect our leaders to stop acting as if there is nothing our parties can agree upon. If this book shows anything, it is that there are many credible ideas addressing voters' most pressing concerns and appealing to a broad swath of Democrats, Republicans and independents.

The ideas in this book are designed to provide a starting point for debate. We aren't naïve enough to think that just because a concept sounds good to policy experts or polls well with the public, that the toughest fights — about how much or who to tax or about the proper role of government in our lives — will suddenly be resolved. Even under the best of circumstances, America's leaders will undoubtedly be battling over these issues for years to come.

But the time for doing nothing, for excuses, for constantly shifting blame to some other person or party, has long past. It is time for our next president and members of our next Congress to roll up their sleeves and get to work creating jobs, securing Social Security and Medicare, balancing our budget and making our nation energy secure.

It is time for America's leaders to fix not fight.

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Please visit [www.nolabels.org](http://www.nolabels.org) to learn more about the ***No Labels Policy Playbook for America's Next President*** and about No Labels efforts to usher in a new politics of solving in our government.

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