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Locking In the DOGE Cuts: Ending Waste, Fraud and Abuse for Good

The Subcommittee on Delivering on Government Efficiency (DOGE)
Committee on Oversight and Government Reform
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Chairwoman Greene, Ranking Member Stansbury, and Members of the Subcommittee, thank you for inviting me to testify today.

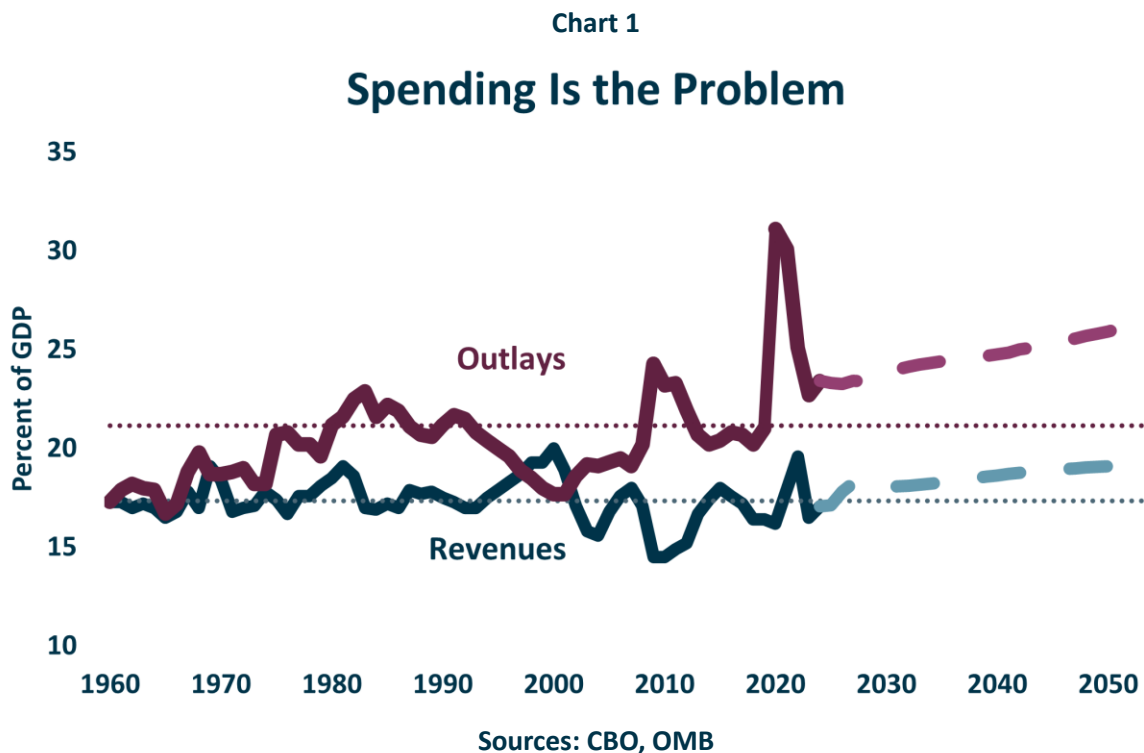
President Donald Trump's new administration is off and running at breakneck speed.

In particular, the Department of Government Efficiency (DOGE) has exposed astonishing amounts of government waste, fraud, and abuse. While it is still the early days of the new administration and results are still coming in, DOGE has been an asset to the American taxpayer.

To ensure lasting change, Congress must partner with President Trump and DOGE to put the budget on a sustainable path.

Unsustainable Spending

The fiscal state of our nation is deteriorating, and unsustainable spending is the underlying problem. Government spending that grows faster than the economy is inherently unsustainable over the long run. Excessive and irresponsible government spending has eroded Americans' purchasing power and eroded public trust.



The Congressional Budget Office's (CBO's) January 2025 report¹ shows that government spending in FY 2024 was \$2.3 trillion higher than FY 2019. This means annual spending is already about 52% higher than prior to the COVID-19 pandemic.²

Spending will continue to grow well beyond historical norms under the current trajectory. By FY 2033, spending would exceed \$10 trillion, more than 24% of GDP. Over the next decade, almost \$22 trillion will be added to the deficit. Under the Biden administration, spending skyrocketed and is now about 52% higher than it was prior to the COVID-19 pandemic.

Growing Spending Erodes Fiscal Space

The national debt stands at its highest level since World War II, and it will soon eclipse the record high. Federal debt held by the public is currently equivalent to the size of the economy. After WWII, debt declined sharply as government spending receded. However, the CBO projects debt to rise to 156 percent of GDP over the next three decades, under a baseline that assumes steady economic growth, no recessions, no significant natural disasters, and no wars.

For context, in 1944, the year of D-Day & the Battle of the Bulge, U.S. debt held by the public was 86.4% of GDP.

Chart 2

Debt Exceeds WWII High



Sources: CBO, OMB

¹ Congressional Budget Office, "The Budget and Economic Outlook: 2025 to 2035," January 17, 2025, <https://www.cbo.gov/publication/60870> (accessed June 20, 2025).

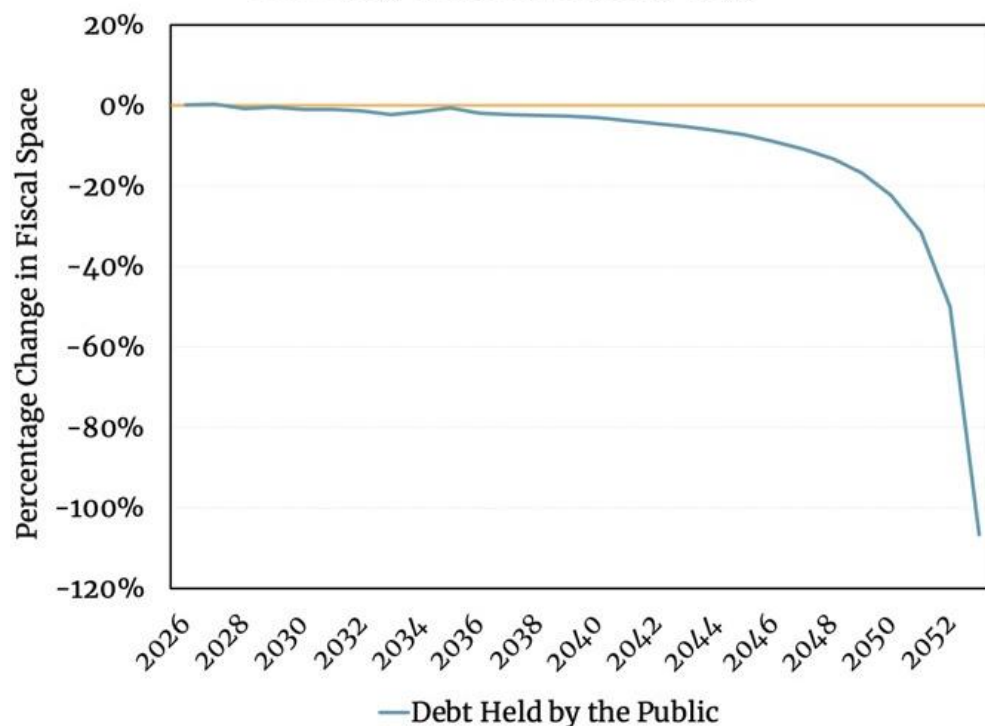
² Matthew Dickerson, "CBO Sounds the Alarm at the Beginning of the 2025 Fiscal Cliff," Economic Policy Innovation Center, <https://epicforamerica.org/federal-budget/cbo-sounds-the-alarm-at-the-beginning-of-the-2025-fiscal-cliff/>.

From 2020–2023, 90% of new federal spending was financed via debt and money creation – the highest percentage since the Civil War. Treasury borrowing is projected to double from 2021 to 2025.

The growing debt risks evaporating the government’s fiscal space, which is its capacity to borrow without undermining debt sustainability or risking a loss of market confidence. This fiscal limit can be considered the government’s true debt limit.³ When the fiscal limit is approached, a debt spiral can occur.

Paul Winfree, EPIC’s President and CEO, estimates that the available fiscal space is around 61 percent of GDP as of the fourth quarter of 2024, about \$18 trillion. Under the current CBO projected budget trajectory, fiscal space will begin to evaporate starting in 2029. Winfree projects that “by the late 2030s, this erosion will accelerate markedly, with fiscal space expected to be largely depleted by the early 2050s.”⁴

Figure 3. Change in Fiscal Space Assuming Spending and Revenue Projections in CBO’s Long-Term Outlook, 2025–2055.



Note: Debt held by the public is from CBO.
Source: Author’s calculations using data from CBO.

³ Paul Winfree, “The Fiscal Red Line: How Close is the U.S. to Its Borrowing Limit?,” Economic Policy Innovation Center, January 17, 2025, <https://epicforamerica.org/federal-budget/the-fiscal-red-line-how-close-is-the-u-s-to-its-borrowing-limit/>.

⁴ Paul Winfree, “Testimony by Dr. Paul Winfree on the Fiscal State of the Nation,” Economic Policy innovation Center, testimony at the U.S. House of Representatives Committee on the Budget, May 7, 2025, <https://epicforamerica.org/federal-budget/testimony-by-dr-paul-winfree-on-the-fiscal-state-of-the-nation/>.

Improper Payments

In 2024, the federal government spent at least \$162 billion in improper payments — an amount equal to \$1,200 per household.⁵ This figure likely understates the true total, as it excludes undetected fraud and comes from programs that do not all track improper payments. Over the past decade, improper payments have totaled \$1.9 trillion.⁶

Roughly 85% of these payments result from agencies' failure to verify identity or eligibility. Recovery efforts are minimal and costly — only \$1 billion was recovered in FY 2024. Of the 68 programs that report improper payments, 18 have error rates over 10%, and six exceed 25%. Eight programs each issued over \$5 billion in improper payments, and 19 exceeded \$1 billion.

Just four health programs, Medicare, Medicaid, Obamacare, and CHIP, accounted for \$88 billion in improper payments. These improper payments would be enough to cover the health insurance premiums for 9.8 million people.⁷

These official statistics understate the true cost of improper payments. For example, in the Medicaid program, the Obama administration and the Biden administration did not include reviews of state eligibility determinations (the largest source of errors) in the Payment Error Rate Measurement audits. In the two years of the last decade when complete audits of state Medicaid programs were conducted, improper payment rates exceeded 25 percent. This means that Medicaid issued nearly \$1.1 trillion in improper payments over the past decade, doubling the officially reported number.⁸

Although the Payment Integrity Information Act of 2019 was meant to address the improper payments issue, it lacks enforcement mechanisms. Agencies face few penalties, if any, for noncompliance and often receive larger budgets when improper payments rise.

⁵ PaymentAccuracy.gov, "Annual Improper Payments Database," 2024, <https://www.paymentaccuracy.gov> (accessed December 6, 2024).

⁶ Rachel Greszler, "How Congress Can Help DOGE Reduce Improper Payments," Economic Policy Innovation Center, <https://epicforamerica.org/social-programs/how-congress-can-help-doge-reduce-improper-payments/>.

⁷ The average health insurance premium in 2024 was \$8,951 for individuals and \$25,572 for families. Kaiser Family Foundation, "2024 Employer Health Benefits Survey," October 9, 2024, <https://www.kff.org/reportsection/ehbs-2024-section-1-cost-of-health-insurance/> (accessed December 4, 2024).

⁸ Rachel Greszler and Brian Blase, Economic Policy Innovation Center and Paragon Health Institute, March 3, 2025, <https://epicforamerica.org/education-workforce-retirement/medicaids-true-improper-payments-double-those-reported/>.

Reviewing the Record: Biden vs Trump

The Biden Spending Binge

The fiscal situation was made much worse by four years of reckless spending by President Joe Biden's Administration.

An EPIC analysis found that the policies of the Biden-Harris Administration increased federal spending by \$4.7 trillion compared to projections for fiscal years 2021 through 2024 made by the CBO immediately prior to the enactment of their policy agenda. Debt through the end of FY 2024 was an estimated \$3.9 trillion higher than projected.⁹

Biden Executive Actions Added \$2 Trillion to Taxpayers' Tab Like a King

President Biden's executive actions added more than \$2 trillion in spending without explicit approval from Congress, according to calculations from the House Budget Committee.¹⁰ The Biden Administration spent hundreds of billions transferring student loan debt to the taxpayers from borrowers, unilaterally increasing Food Stamp benefits, gutting Medicaid eligibility verification, and more.

The Appropriations Clause of the Constitution provides that "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law."¹¹ The history of this provision dates back to 17th century reforms meant to restrict the ability of the British Crown to increase spending without approval by Parliament.¹²

The Committee on Supply was created to authorize the amounts available to the Crown after reviewing estimates. The English Bill of Rights in 1689 declared that "levying money for or to the use of the Crown by pretence of prerogative, without grant of Parliament, for longer time, or in other manner than the same is or shall be granted, is illegal."

The entire point of the American system of government was to restrict the ability of the unilateral exercise of power and expenditure of funds. By asserting the prerogative to spend the taxpayers' money unilaterally, without authorization by the Congress for the new spending, it could be said that Biden attempted to act as a King.

⁹ Matthew Dickerson and Amelia Kuntzman, "The Biden-Harris Spending Binge," Economic Policy Innovation Center, October 2024, <https://epicforamerica.org/federal-budget/the-biden-harris-spending-binge/>.

¹⁰ House Budget Committee, "President Biden's Executive Actions Have Cost Taxpayers Over \$2 Trillion", April 16, 2025, <https://budget.house.gov/press-release/president-bidens-executive-actions-have-cost-taxpayers-over-2-trillion> (accessed June 16, 2025).

¹¹ Article I, Section 9, Clause 7.

¹² Paul Winfree, A History (and Future) of the Budget Process in the United States, p. 1, (New York, NY: Palgrave Macmillan, 2019).

DOGE Claims \$180 Billion in Savings

In contrast to the \$2 trillion in costs added by the Biden Administration executive actions, President Trump has focused on reducing costs for the taxpayers.

On Inauguration Day, the Department of Government Efficiency (DOGE) began its mission to slash wasteful government spending.¹³

In just five months, DOGE claims to have saved \$180 billion, as of June 16, 2025, which amounts to \$1,118.01 per taxpayer.¹⁴ These savings have been accomplished through a combination of asset sales, contract cancellations, and fraud and improper payment reduction.

Although DOGE's savings are a good start, there is more work to do to correct the budget. Changes made administratively do not carry the same potential for long-lasting changes as legislative actions do. Congress has an opportunity to partner with DOGE and continue using rescissions and reconciliation to reduce wasteful government spending and avert a fiscal disaster.

Trump Discretionary Budget Points to a Better Path

President Trump's FY 2026 discretionary budget request identified \$163 billion in year-one savings. Using the CBO's baseline rules, these savings would multiply to about \$1.8 trillion over the ten-year budget window if Congress continues these commonsense savings.

Congress Can and Should Lock in Spending Savings

The Power of the Purse

Practically every question about policy boils down to: "What is government spending money on?" The power to tax and spend is the mechanism that allows government to exercise all its other powers.¹⁵

As Madison famously explained this power in Federalist 58:

"The House of Representatives cannot only refuse, but they alone can propose, the supplies requisite for the support of government... This power over the purse may, in

¹³ The White House, "Establishing and Implementing the President's 'Department of Government Efficiency,'" Presidential Actions, January 20, 2025, at <https://www.whitehouse.gov/presidential-actions/2025/01/establishing-and-implementing-the-presidents-department-of-government-efficiency/>.

¹⁴ Department of Government Efficiency, "Savings", <https://www.doge.gov/savings> (accessed June 16, 2025).

¹⁵ Matthew Dickerson, "The Budget Process Must Confront the Challenges of Today and Tomorrow," Economic Policy Innovation Center, September 6, 2024, <https://epicforamerica.org/federal-budget/the-budget-process-must-confront-the-challenges-of-today-and-tomorrow/>.

fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure.”¹⁶

In other words, the power to levy taxes and provide spending authority — and the power to withhold funds from the Executive — is the most effective way for the elected representatives of the American people to provide for the vital and appropriate services of the federal government, as well as to prevent abuses by the government.

Control Appropriations

The most straightforward way to control waste, fraud, and abuse is by controlling agency budgets through the annual appropriations process. As part of this annual process, the House and Senate Appropriations Committees consider adjustments to thousands of spending accounts. Discretionary outlays are projected to total \$1.8 trillion this year and \$21 trillion over the next decade under CBO's modest growth projections.

Unfortunately, much of the federal bureaucracy and the left-wing institutions they fund have become woke and weaponized against the American people. During the Biden administration, grant programs for scientific research, foreign aid, education, public health, and culture were abused for the promotion of leftist ideology. As an investigation by the Senate Commerce Committee revealed, the National Science Foundation alone doled out billions of tax dollars along these lines.¹⁷

Appropriators must not trust these institutions with the same level of public resources following the multitude of scandals and abject failures of recent years. Congress should significantly reduce funding to these agencies until there are substantial reforms to ensure these groups are once again working on behalf of the American people and using tax dollars wisely.¹⁸

Reduce Federal Employment

One way to reduce agency budgets and long run federal liabilities is to reduce the size of the federal workforce.

¹⁶ James Madison, “Objection That The Number of Members Will Not Be Augmented as the Progress of Population Demands Considered,” The Federalist Papers, No. 58, https://avalon.law.yale.edu/18th_century/fed58.asp (accessed June 20, 2025).

¹⁷ U.S. Senate Committee on Commerce, Science, & Transportation, “Cruz-Led Investigation Uncovers \$2 Billion in Woke DEI Grants at NSF, Releases Full Database,” February 1, 2025, <https://www.commerce.senate.gov/2025/2/cruz-led-investigation-uncovers-2-billion-in-woke-dei-grants-at-nsf-releases-full-database>.

¹⁸ David Ditch, “Understanding President Trump’s FY 2026 Discretionary Funding Request,” Economic Policy innovation Center, May 6, 2025, <https://epicforamerica.org/federal-budget/understanding-president-trumps-fy-2026-discretionary-funding-request/>.

I estimate that reducing the federal workforce by 10 percent over a three-year period would allow discretionary spending appropriations for salaries and health benefits to be reduced by \$559 to \$608 billion over the FY 2025 – 2035 period.¹⁹ Over the longer run, direct spending outlays would be significantly reduced as pension liabilities fall.

Table 1

Fiscal Effects of Reducing the Federal Workforce by 10 Percent					
	Salaries	Health Benefits	Employee Contribution to Pensions	Government Contribution to Pensions	Pension Benefit Payments
Scorekeeping	Discretionary Outlays	Discretionary Outlays	Revenues	Intergovernmental Transfers (Direct Spending Outlays and Corresponding Offsetting Collections)	Direct Spending
Time Period	FY 2025 – 2035	FY 2025 – 2035	FY 2025 – 2035	FY 2025 – 2035	Long Run
Fiscal Effect	–\$523 Billion	–\$36 to –\$85 Billion	–\$23 Billion	–\$75 Billion	Significant Reduction

Source: Author calculations based on data from OPM and CBO

The federal government employed about 2.4 million full-time equivalent civilian workers (excluding the Postal Service) at the end of fiscal year 2024.²⁰ The average federal worker earns a salary of more than \$106,000,²¹ plus a generous benefits package that includes a defined benefit pension plan, a defined contribution retirement plan, health insurance, disability insurance, life insurance, and four types of paid leave benefits. These benefits are worth on average 43 percent more than the typical private sector package.²²

Review Authorizations

While the Appropriations Committee takes the lead in reducing the funds provided to woke and wasteful agencies, the Congressional authorizing committees have an important role to play as well.

¹⁹ Matthew Dickerson, "Fiscal Effects of Reducing the Federal Workforce," Economic Policy innovation Center, January 28, 2025, <https://epicforamerica.org/education-workforce-retirement/fiscal-effects-of-reducing-the-federal-workforce/>.

²⁰ U.S. Bureau of Labor Statistics, All Employees, Federal, Except U.S. Postal Service [CES9091100001], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CES9091100001>, (accessed January 25, 2025).

²¹ Office of Personnel Management, "Federal Workforce Data," <https://www.fedscope.opm.gov/> (accessed January 25, 2025).

²² Congressional Budget Office, "Comparing the Compensation of Federal and Private-Sector Employees in 2022," April 25, 2024, <https://www.cbo.gov/publication/59970> (accessed January 25, 2025).

The scope of authorized agency activities should also be properly limited to what is necessary and proper to carry out core programs. As Madison described in Federalist 45, “The powers delegated by the proposed Constitution to the federal government are few and defined.”²³

Implement Rescissions

One important opportunity to reduce wasteful government spending is the power to rescind unneeded appropriations. Budget authority that has not yet been obligated by an agency can be canceled by new laws passed by Congress, preventing the funds from being obligated and spent. This cancellation of budget authority is called a rescission.²⁴

The Impoundment Control Act expedited rescission process allows Congress to cut spending on a fast-track process that bypasses the Senate filibuster.

At the end of April 2025, federal agencies had \$1.4 trillion unobligated balances of discretionary budget authority that could be rescinded.²⁵

Table 2

Unobligated Appropriations as of April 2025			
No Year	Multi-Year	Expiring	Total
\$438	\$509	\$476	\$1,442

In billions of dollars.
Source: Office of Management and Budget.

Over the last decade, balances of unobligated budget authority have grown significantly. At the end of FY 2017, \$208 billion in unobligated balances remained. In contrast, \$653 billion in unobligated budget authority was available at the end of FY 2024.

President Trump has proposed, and the House has passed an initial \$9.4 billion rescission package. The President has proposed rescinding \$8.3 billion of wasteful and weaponized foreign

²³ James Madison, “Federalist No. 45,” The Federalist Papers, https://avalon.law.yale.edu/18th_century/fed45.asp (accessed June 20, 2025).
²⁴ Matthew Dickerson, " Expedited Rescissions Allows Congress to Support DOGE’s Work to Eliminate Waste," Economic Policy Innovation Center, April 4, 2025, <https://epicforamerica.org/federal-budget/expedited-rescissions-allows-congress-to-support-doges-work-to-eliminate-waste/>.
²⁵ Office of Management and Budget, “MAX Information and Reports (Executive, Legislative, and Judicial Users): FY 2025 – SF 133 Reports on Budget Execution and Budgetary Resources,” May 20, 2025, <https://portal.max.gov/portal/document/SF133/Budget/FY%202025%20-%20SF%20133%20Reports%20on%20Budget%20Execution%20and%20Budgetary%20Resources.html> (accessed June 22, 2025).

aid programs as well as \$1.1 billion from the Corporation for Public Broadcasting that subsidizes partisan left-wing “news” programming.

Because rescission bills considered under the ICA process cannot be filibustered and can be passed by a simple majority in the House and Senate, there should be no excuse for failure.

DOGE has already identified billions in waste, fraud, and abuse of the taxpayers’ money. Rescinding unneeded and harmful appropriations is the natural next step to follow up on the important work that has been done.

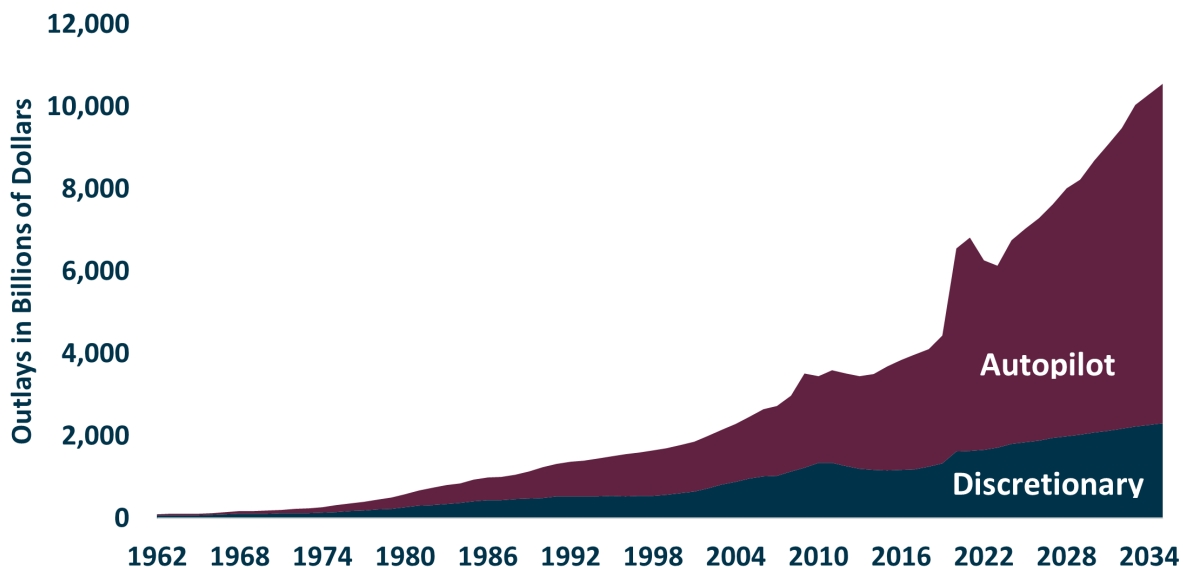
Congress should seize this opportunity and partner with President Trump to deliver reductions of reckless government spending. While the rescissions request is modest compared to the size of the federal budget, passing it would signal that Washington recognizes the cost of excessive deficit spending. If Congress can’t agree on these modest discretionary spending reductions, it will be even harder to address the runaway growth of mandatory programs.

Utilize Reconciliation

One of the most important tools at Congress's disposal to achieve budget savings is the reconciliation process. Reconciliation is a powerful fast track procedure that can be passed by simple majorities in the House and Senate, bypassing the 60-vote filibuster. The purpose of reconciliation is to align spending and tax laws with the adopted Congressional budget resolution.

Chart 4

Autopilot Programs Drive Spending Growth



Sources: CBO and OMB

Autopilot spending programs, which are the driver of the unsustainability of the budget, can be adjusted in the reconciliation process. (However, Social Security may not be changed in reconciliation, nor can interest payments be directly modified.)

The One Big Beautiful Bill passed by the House of Representatives would reduce outlays by \$1.25 trillion, including \$1.5 trillion in savings which are offset by \$297 billion of investments in border security and national defense.²⁶ The House deserves credit for its important work on this legislation. Changes made prior to passage could speed implementation in a way that promotes stronger labor market growth and fiscal responsibility.

Lock in the DOGE Cuts

America's fiscal trajectory is unsustainable, but not irreversible. DOGE has demonstrated that meaningful savings are achievable. By exercising its Constitutional power of the purse, controlling appropriations, workforce reforms, rescissions, and reconciliation, Congress can lock in the DOGE cuts, safeguard taxpayers, and avert a fiscal crisis.

²⁶ Matthew Dickerson, "Fiscal Effects Of The One Big Beautiful Bill," Economic Policy Innovation Center, June 5, 2025, <https://epicforamerica.org/federal-budget/fiscal-effects-of-the-one-big-beautiful-bill/>.