

One Minute Memo[®]



New Executive Order Directs Federal Agencies to Trim The Fat

By Tonya M. Esposito

Seyfarth Synopsis: President Trump's executive order directs all federal agencies to point out where they can be trimmed down to meet his proposed budget.

On Monday, March 13, President Trump signed Executive Order 13781 (EO) giving the head of each agency 180 days to submit a plan to reorganize their agency with the goal of improving "efficiency, effectiveness, and accountability." The reports along with public suggestions will be aggregated by the Director of the Office of Management and Budget (Director) who will propose a final plan of reorganization to the president later this year.

In the EO, the president requested recommendations to eliminate unnecessary agencies, components of agencies, and agency programs as well as any recommendations to merge functions. The Director will look to what agency functions should be left to the states or public sector, what redundancies can be eliminated, and make a cost-benefit analysis of agency functions.

The EO was published on March 16, the same day as the president's budget proposal for 2018. Through the budget, the heads of the agencies have an apparent goal to meet in order to comply with the president's expectations. The president's budget proposes \$54 billion in cuts to the federal government from last year, including a 31.4% reduction for the EPA, 28.7% reduction for the Department of State, and 16.2% reduction for the Department of Health and Human Services. The budget also proposed the elimination of 19 federal programs including the Legal Services Corporation (LSC), The National Endowment for Humanities, and the Corporation for Public Broadcasting to name a few.

While the budget proposes \$54 billion in cuts to the federal agencies and programs, an identical number has been spoken of in connection with an increase to the budget of the Department of Defense.

The EO requires the Director to allow for a period of public suggestion. Some have already taken the initiative to directly respond to the Director. For example, in response to the threat of elimination to the LSC, which assists low-income Americans in need of civil legal aid, leaders of 157 law firms signed a letter sent to the Director in support of the LSC.

While the president has made his intentions known, ultimately it is up to the Appropriations Committee to determine what, if any, agencies will be defunded. Seyfarth Shaw LLP will continue to monitor the implementation of the Executive Order and any subsequent legal challenges.

Seyfarth is a member of a Steering Committee of law firm leaders and pro bono counsel from a group of Big Law firms which are rallying support for LSC. Recently, the Steering Committee sent [a letter to the director of the Office of Management and Budget](#) that was signed by leaders of 157 law firms with offices in all 50 states. The letter makes a variety of points, such as the clear return on investment derived from support for legal aid, and that eliminating the Legal Services Corporation will not only imperil the ability of civil legal aid organizations to serve Americans in need, it will also vastly diminish the private bar's capacity to help these individuals.

We will continue to monitor these developments and will keep you informed of changes. If you would like to subscribe to receive our Presidential Pulse alerts, [click here](#).

If you have any questions, please contact your Seyfarth attorney or [Tonya M. Esposito](#) at tesposito@seyfarth.com.

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