

July 24, 2019

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National Taxpayers Union strongly urges all Representatives and Senators to vote "NO" on H.R. 3877, the Bipartisan Budget Act of 2019. This legislation ignores prudent budget caps put in place by the Budget Control Act (BCA) of 2011, leads to \$320 billion in new government spending, includes no real spending offsets, and accelerates the nation's path to a fiscal crisis. Congress should reject this terrible deal, and instead pursue legislation that reins in runaway spending and puts the nation on track to reduce our \$22-trillion debt.

The BCA was by no means a catch-all solution to the federal government's fiscal woes, but it did represent an excellent first step to controlling federal spending and putting the U.S. on a more sustainable path. As NTU has noted before, if the BCA had been kept in place it would have saved \$16,463 per American household over ten years. Instead the Bipartisan Budget Act of 2019, a final nail in the coffin to BCA reforms, sets FY 2020 discretionary defense spending at \$169 billion above BCA caps and discretionary non-defense spending at \$153 billion above BCA caps (as updated by the Bipartisan Budget Act of 2018).

The budget deal continues to allow for tens of billions of dollars in military spending not subject to the caps, through an Overseas Contingency Operations (OCO) account now widely acknowledged as a "slush fund." NTU previously warned Representatives and Senators to avoid relying on OCO spending when they considered their respective versions of the National Defense Authorization Act (NDAA) for FY 2020. The Bipartisan Budget Act of 2019 would allow this slush-fund spending to continue through FY 2021.

The legislation's offsets, which already make up a small sliver of the deal's increased spending (around 17 percent), are wholly inadequate. The Congressional Budget Office (CBO) estimates that the offsets will actually reduce spending around \$54 billion over 10 years, rather than the \$77 billion originally reported. Further, they would have no budgetary effect for eight years.

NTU strongly urges Representatives and Senators to oppose the Bipartisan Budget Act of 2019, and instead pursue a budget deal that puts a stop to the federal government's ruinous fiscal practices. One positive, if partial, reform would be to extend BCA-style spending caps beyond FY 2021, and to actually adhere to the caps over the next decade. Almost any reforms or additional offsets would improve this legislation, which as it stands is a horrible deal for American taxpayers.

Roll call votes on the Bipartisan Budget Act of 2019 will be <u>heavily</u> weighted in NTU's annual Rating of Congress and a "NO" vote will be considered the pro-taxpayer position.

If you have any questions, please contact NTU Policy and Government Affairs Associate Andrew Lautz at <u>alautz@ntu.org</u>.

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