

Issue Brief

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Congress Should Not Designate Ongoing Program Spending as an Emergency

Introduction

Congress closed out 2019 with a [huge increase in the budget caps](#) allowing for \$322 billion in higher spending over the next two years.¹ Unfortunately, that spike was not enough for some lawmakers.

There is a renewed push to evade the 2021 caps to allow for another \$11 billion in spending as some Members scheme to reclassify ongoing veterans' program outlays as emergency spending to skirt enforcement.

This irresponsible effort is underway despite the impacts of the pandemic and social distancing restrictions that have decimated jobs and tax revenues. Add in the fiscal [policy responses](#) enacted by Congress and this year's budget deficit will easily surpass \$4 trillion.² By

¹ Congressional Budget Office. "H.R. 3877, Bipartisan Budget Act of 2019." July 23, 2019. <https://www.cbo.gov/publication/55478>.

² Brady, Demian. "Reforms Will Be Needed to Fix the Worsening Budget Outlook." National Taxpayers Union Foundation, May 13, 2020. <https://www.ntu.org/foundation/detail/reforms-will-be-needed-to-fix-the-worsening-budget-outlook>.

Key Facts:



The Bipartisan Budget Act of 2019 lifted spending caps allowing for \$322 billion higher spending over Fiscal Years 2020 and 2021.



Some members of Congress are hoping to reclassify some ongoing veterans healthcare funding as "emergency" spending to evade budget enforcement under an already generous spending cap.



At a time of record levels of spending and debt, Congress should be finding ways to root out wasteful spending rather than creating new budgetary gimmicks that add to the deficit.

comparison, before the pandemic it was projected that the government would spend \$4.6 trillion total this year. Now more than ever, Congress should budget within its means and prioritize spending rather than creating budgetary loopholes that will only exacerbate the historic level of federal debt.

Finding a Loophole for Veterans' Community Health Care Funding

The budgetary problem stems back to passage of the VA MISSION Act of 2018. This law established a program that reimburses costs to certain veterans who receive health care services outside the Department of Veterans Affairs' (VA) system. The bill was signed into law just a day before the House considered its VA funding bill, which meant that budget allotments for program accounts in the next fiscal year had already been set. Ever since, some lawmakers have sought to exempt VA MISSION Act funds from statutory budget restraints. When the VA appropriations bill was being debated, Senators Richard Shelby (R-AL) and Patrick Leahy (D-VT) introduced a [proposal](#) to carve out a budget loophole for MISSION Act funds so that all of its estimated costs would automatically adjust budget caps.³

In a renewed effort, Sen. Shelby wants to designate VA MISSION Act spending as an emergency so that it will be exempt from budget caps in the next fiscal year starting on October 1. Emergency spending is outside of budget enforcement so this loophole would free up \$11.3 billion in spending under the cap.

Shelby's proposed loophole is also supported by Democrats in the House. A spokesperson for House Appropriations Chairwoman Nita Lowey (D-NY) stated, "The combination of fast-rising costs for veterans health care and existing budget caps threatens to cannibalize other important resources for veterans and their families. Budgetary relief is essential to ensuring Congress can meet its obligations to veterans."

While Congress has an important obligation to veterans, it also has an obligation to taxpayers to budget within its means. Designating specific non-emergency costs as an emergency for the purpose of evading budget caps is not consistent with that obligation.

This loophole would enable lawmakers to avoid having to prioritize spending within an already expansive budget. *CQ News* [reports](#) that "the regular budget for veterans' medical care rose from \$72.5 billion in fiscal 2019 to \$80.2 billion this year, a \$7.7 billion or nearly 11 percent increase."⁴ In addition, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) included supplemental appropriations to the VA of over [\\$17 billion](#) to hire new staff, purchase new equipment, support COVID-19 testing, and expand telehealth.⁵

Prioritize and Budget Within Means

During this ongoing crisis, households and businesses are tightening belts and making difficult budget decisions. Congress should follow their example and do the same by ensuring that taxpayer dollars are spent prudently. Through its power of the purse, Congress has a responsibility to conduct regular oversight of spending programs. The community care program account is included in the annual funding bill under the jurisdiction of Military Construction, Veterans Affairs, and Related Agencies (MILCON-VA) appropriations subcommittees in each chamber. Lawmakers should start looking there to prioritize spending and stay under the caps.

³ Text of Senate Amendment 2264, *Congressional Record*, May 28, 2018. Page S2837. <https://www.congress.gov/crec/2018/05/22/CREC-2018-05-22-pt1-PgS2837.pdf>.

⁴ Krawzak, Paul M, "Appropriators Mull VA Funding Maneuver to Protect Other Agencies," *CQ News*, May 5, 2020. <https://plus.cq.com/doc/news-5900075?0>.

⁵ Office of Public and Intergovernmental Affairs. "CARES Act Helping VA Boost Protections for Veterans." April 8, 2020. <https://www.va.gov/opa/pressrel/pressrelease.cfm?id=5415>.

In a report released in February, the Congressional Budget Office (CBO) identified more than \$83 billion in appropriations this year under MILCON-VA for 18 programs whose [authorizations have expired](#).⁶ This means that the appropriators are providing money for programs even though the authorizing committees in the House and Senate have not properly exercised their duty to periodically review and evaluate them.

Lawmakers could also look farther afield to find offsets. Across the budget, CBO identified \$332 billion in appropriations to 1,046 programs and activities no longer authorized, representing *nearly a quarter of the discretionary budget*.

Additionally, lawmakers should consult the report of Congress's own accounting or budget scoring agencies. The Government Accountability Office's 2020 report on [Fragmentation, Overlap, and Duplication](#) in the federal government recommends actions Congress or the executive branch should implement to save billions of dollars.⁷ The Congressional Budget Office's [Budget Options](#) report lays out a menu of over 80 spending reforms to also achieve significant savings.⁸ In our joint Toward Common Ground project, NTUF and the U.S. Public Interest Research Group Education Fund agreed on many of CBO's recommendations as well as additional specific reforms to save taxpayers more than [\\$790 billion](#) over the next decade.⁹

SOS: Stop Overspending

Converting ongoing spending programs to “emergency” spending in a time of \$4 trillion-plus deficits would be recklessly irresponsible. The current situation is the result of an unanticipated, unprecedented crisis. With the possibility of another real emergency occurring such as a hurricane that would require federal assistance, Congress will have more limited options to respond given the government's current debt load.

Congress should be finding ways to root out wasteful spending instead of seeking out gimmicks to pile more debt on the backs of already-overburdened taxpayers. There are already similarly egregious budget loopholes -- like the Overseas Contingency Operations [slush fund](#) -- that need to be governed by the regular budget process.¹⁰ Congress should not be creating new carve outs.

About the Author

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⁶ Congressional Budget Office. “Expired and Expiring Authorizations of Appropriations: Fiscal Year 2020.” February 5, 2020. <https://www.cbo.gov/system/files/2020-02/56082-CBO-EEAA.pdf>.

⁷ United States Government Accountability Office. “2020 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits.” May 19, 2020. <https://www.gao.gov/assets/710/707031.pdf>.

⁸ Congressional Budget Office. “Options for Reducing the Deficit: 2019 to 2028.” December 13, 2018. <https://www.cbo.gov/publication/54667>.

⁹ Brady, Demian and Cross, R.J. “Toward Common Ground: Bridging the Political Divide with Deficit Reduction.” National Taxpayers Union Foundation and U.S. Public Interest Research Group, April 23, 2020. <https://www.ntu.org/library/doclib/2020/04/Toward-Common-Ground-2020.pdf>.

¹⁰ Lautz, Andrew. “Reforming the OCO Account: A Better Deal for Taxpayers, Watchdogs, and the Military.” National Taxpayers Union, May 26, 2020. <https://www.ntu.org/publications/detail/reforming-the-oco-account-a-better-deal-for-taxpayers-watchdogs-and-the-military>.



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