



September 29, 2021

Dear Senators and Representatives:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to reiterate NTU's significant concerns that this week Congress will vote on yet another supplemental appropriations bill that makes no attempt to offset additional spending.

In key vote alerts this week and last week, NTU asked lawmakers to oppose H.R. 5305, the continuing resolution (CR) and supplemental appropriations bill that would also suspend the debt ceiling.<sup>1</sup> NTU noted in these communications that we strongly believe Congress should avoid a government shutdown and avoid a default on the nation's debt. Either scenario would have significant economic consequences, and would likely cost taxpayers billions of dollars.<sup>2</sup>

Unfortunately, Congressional leadership has resorted to the tried and true tactic of tying necessary emergency relief initiatives to the equally necessary (but less popular) need to keep the government open and pay our nation's bills. Worse, but typical in recent years, lawmakers are making no attempt whatsoever to offset the \$35 billion in supplemental spending for hurricane and wildfire response, and for Afghan refugee resettlement.

While American communities may need taxpayer support to recover from devastating natural disasters and the U.S. government has a responsibility to help resettle Afghan refugees fleeing violence and an oppressive new government, that does not change the indisputable fact that the bill will one day come due for \$35 billion in these taxpayer-funded obligations. It would be better for lawmakers to take a few more days to find legitimate offsets to this emergency spending, while passing a clean CR to keep the government open, than to attach a significant amount of unpaid-for supplemental appropriations to a must-pass government funding bill.

There are numerous, immediate options that lawmakers could take to reduce the net cost of this supplemental appropriations bill. They include, but are not limited to:

- **Trimming the defense budget to \$728 billion:** The last Congressional Budget Office (CBO) baseline for discretionary defense spending in 2022 was \$763 billion.<sup>3</sup> Trimming that topline to \$728 billion would cut spending relative to CBO's baseline by \$35 billion, covering the cost of supplemental appropriations being considered this week. This represents a roughly 5.2 percent cut from the House National Defense Authorization Act (NDAA) topline levels, which could by and large be accomplished

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<sup>1</sup> See: Lautz, Andrew. "Senate Should Pursue Offsets to \$35B in Supplemental Spending." National Taxpayers Union, September 27, 2021. Retrieved from: <https://www.ntu.org/publications/detail/senate-should-pursue-offsets-to-35b-in-supplemental-spending>; Lautz, Andrew. "House Should Pursue Offsets to Supplemental \$35B Spending Bill." National Taxpayers Union, September 21, 2021. Retrieved from: <https://www.ntu.org/publications/detail/house-should-pursue-offsets-to-supplemental-35b-spending-bill>

<sup>2</sup> For more, see: Congressional Budget Office. "The Effects of the Partial Shutdown Ending in January 2019." January 2019. Retrieved from: <https://www.cbo.gov/system/files/2019-01/54937-PartialShutdownEffects.pdf> (Accessed September 29, 2021.); Government Accountability Office. "Analysis of 2011-2012 Actions Taken and Effect of Delayed Increase on Borrowing Costs." July 2012. Retrieved from: <https://www.gao.gov/assets/gao-12-701.pdf> (Accessed September 29, 2021.)

<sup>3</sup> Congressional Budget Office. "Additional Information About the Updated Budget and Economic Outlook: 2021 to 2031." July 2021. Retrieved from: <https://www.cbo.gov/system/files/2021-07/57263-outlook.pdf#page=20> (Accessed September 29, 2021.)

by undoing a topline boost that the House Armed Services Committee passed in Committee markup a few weeks ago.<sup>4</sup> NTU and budget watchdogs across the ideological spectrum have shared defense budget reduction options,<sup>5</sup> and CBO has a significant menu of options related to defense spending too.<sup>6</sup>

- **Trimming non-defense discretionary spending to \$679 billion:** The last CBO baseline for discretionary nondefense spending in 2022 was \$714 billion.<sup>7</sup> Trimming that to \$679 billion would cut spending relative to CBO's baseline by \$35 billion, also covering the cost of supplemental appropriations being considered this week. Unfortunately, the appropriations bills the House is considering would provide for significant increases in nondiscretionary spending rather than instituting some of the budget discipline sorely needed at a time of record debt and deficits.<sup>8</sup> NTU Foundation and U.S. Public Interest Research Group (U.S. PIRG) Education Fund have offered hundreds of billions of dollars of deficit reduction options in their recent "Toward Common Ground" report,<sup>9</sup> and so has CBO.<sup>10</sup>
- **Compromise with smaller cuts to both defense and nondefense discretionary spending:** Lawmakers could limit the political pain of spending cuts and achieve a bipartisan compromise by cutting both defense and nondefense discretionary spending by similar amounts; around \$17 billion each.
- **Trim American Rescue Plan Act (ARPA) spending on education spending:** ARPA provided more than \$165 billion in funding to elementary, secondary, and higher education institutions, but more than \$107 billion (almost two-thirds) is not projected to be spent until fiscal year (FY) 2023 or later.<sup>11</sup> Lawmakers could claw back this spending, since it is likely to take place after America is well on the public health and economic recovery path from COVID-19.

These are but a few options available to lawmakers. We strongly urge to offset supplemental spending for hurricane and wildfire response, and Afghan refugee resettlement. If this cannot be accomplished in the next day, we would urge you to pass a clean CR and to spend a few days working on \$35 billion in spending offsets. Should you have any questions or if NTU can assist in any way, I am at your service.

Sincerely,

Andrew Lautz,  
Director of Federal Policy

<sup>4</sup> House Armed Services Committee. "Summary of the National Defense Authorization Act for Fiscal Year 2022." August 2021. Retrieved from:

[https://armedservices.house.gov/\\_cache/files/8/2/826696ae-f705-4e69-b48e-6586a11a0a1d/DE99343E0CAF1A5A30184E65EA3E1050.20210911-fy22-ndaa-as-referred-summary-final.pdf](https://armedservices.house.gov/_cache/files/8/2/826696ae-f705-4e69-b48e-6586a11a0a1d/DE99343E0CAF1A5A30184E65EA3E1050.20210911-fy22-ndaa-as-referred-summary-final.pdf) (Accessed September 29, 2021.)

<sup>5</sup> Lautz, Andrew. "Cross-Ideological Coalition IDs \$80B in Possible Pentagon Budget Cuts." National Taxpayers Union, March 24, 2021. Retrieved from: <https://www.ntu.org/publications/detail/cross-ideological-coalition-ids-80b-in-possible-pentagon-budget-cuts>

<sup>6</sup> Congressional Budget Office. "Options for Reducing the Deficit: 2021 to 2030." December 2020. Retrieved from: <https://www.cbo.gov/system/files/2020-12/56783-budget-options.pdf> (Accessed September 29, 2021.)

<sup>7</sup> Congressional Budget Office. "Additional Information About the Updated Budget and Economic Outlook: 2021 to 2031." July 2021. Retrieved from: <https://www.cbo.gov/system/files/2021-07/57263-outlook.pdf#page=20> (Accessed September 29, 2021.)

<sup>8</sup> House Committee on Appropriations. "House Passes Seven-Bill Appropriations Package." July 29, 2021. Retrieved from: <https://appropriations.house.gov/news/press-releases/house-passes-seven-bill-appropriations-package> (Accessed September 29, 2021.)

<sup>9</sup> Brady, Demian; and Cross, R.J. "Toward Common Ground: Bridging the Political Divide with Deficit Reduction Recommendations for Congress." NTU Foundation and U.S. PIRG Education Fund., April 2020. Retrieved from: <https://www.ntu.org/publications/page/toward-common-ground-bridging-the-political-divide-with-deficit-reduction-recommendations-for-congress> (Accessed September 29, 2021.)

<sup>10</sup> Congressional Budget Office. "Options for Reducing the Deficit: 2021 to 2030." December 2020. Retrieved from: <https://www.cbo.gov/system/files/2020-12/56783-budget-options.pdf> (Accessed September 29, 2021.)

<sup>11</sup> Congressional Budget Office. "Estimated Budgetary Effects of H.R. 1319, American Rescue Plan Act of 2021."