

July 25, 2023

Open Letter to Congress: Supplemental Spending to Bypass Spending Caps Premature

On behalf of the undersigned free-market organizations, we urge all members of Congress to oppose efforts to use an emergency defense supplemental spending package to circumvent spending caps established by the Fiscal Responsibility Act of 2023.

Even before President Joe Biden [signed](#) the bipartisan debt ceiling deal, some senators [floated](#) the idea of using supplemental spending to bypass the agreement and increase Pentagon spending above the [3.3 percent growth rate](#) already agreed to for Fiscal Year (FY) 2024. This is objectionable for many reasons:

- 1) Admiral Michael Mullen, former chairman of the Joint Chiefs of Staff, famously [remarked](#), “[t]he most significant threat to our national security is our debt.” Since that statement, made nearly 13 years ago, the national debt has climbed by [more than \\$19 trillion](#). Rather than exacerbating wasteful spending, lawmakers should take his warning to heart and aggressively pursue savings and systemic reforms to strengthen our fiscal position and bolster our national security.
- 2) A Pentagon increase is currently unnecessary. In FY 2023, the Pentagon received a generous [9.7 percent increase](#) over the previous year. At a time when spending reductions are critical to addressing our profound [fiscal challenges](#), expectations of perpetual growth are both unrealistic and unattainable. The Pentagon’s budget will increase in each year of the debt deal, and modest growth—albeit at a more sustainable level—is not equivalent to a drastic cut.
- 3) Opportunities to save money and increase efficiency are plentiful. The U.S. Government Accountability Office (GAO), Congressional Budget Office and [past Department of Defense \(DOD\) officials](#) have identified billions of dollars in savings and efficiencies. What’s more, DOD has a poor track record at managing the funds it already has. In November 2022, DOD failed its fifth consecutive audit and was unable to account for [“sixty-one percent of its \\$3.5 trillion in assets.”](#) More recently, an accounting error provided an additional [\\$6.2 billion](#) for Ukraine military aid. Before Congress considers supplemental spending, the department should address the [“serious fiscal management problems”](#) reported by the GAO and pursue available savings to ensure good stewardship of taxpayer funds.
- 4) Over-reliance on [emergency spending](#) outside the annual appropriations process is a short-sighted solution to much larger budget process and spending problems. Not only have supplemental spending packages been a [significant driver of debt](#) over the past two decades, they have also exacerbated waste and [pork barrel spending](#).
- 5) Funding basic government functions, including defense, by supplemental or other off-budget accounts is a poor budget habit that would reopen the door to waste and overspending. A recent example is the much-abused Overseas Contingency Operations account, an opaque gimmick used to work around budget restrictions and fund activities that were neither contingencies nor overseas [until FY 2022](#).

Spurning a carefully negotiated agreement in the absence of a true and dire emergency sets a poor precedent and undermines our ability to address looming fiscal challenges. It is crucial that Congress abide by the modest limits it established for itself.

To that end, we urge members to oppose proposals for a defense supplemental or other emergency spending that would breach spending caps in the wake of the just-passed Fiscal Responsibility Act of 2023. Any additional funds for well-defined, true emergencies that fall outside the appropriations process should be fully paid for with offsets to avoid adding to our unaffordable debt.

Sincerely,

R Street Institute
60 Plus Association
Americans for Prosperity
Americans for Tax Reform
Concerned Veterans for America
Council for Citizens Against Government Waste
National Taxpayers Union
Rio Grande Foundation
Taxpayers for Common Sense
Taxpayers Protection Alliance