

April 2024

## Fiscal Year 2024 Congressional Program Increases to the Pentagon Budget

H1680		CONGRESSIONAL RECORD—HOUSE		March 22, 2024
R-1		Budget Request		Final Bill
27	<b>MANUFACTURING TECHNOLOGY PROGRAM</b>	44,422		187,967
	Transfer to RDT&E, SF line 6 for space unique S&T			-1,955
	Program increase - metal additive manufacturing			8,500
	Program increase - thermoplastic flight control components for advanced manned and unmanned platforms			6,000
	Program increase - rare gas cryogenic distillation and purification			5,000
	Program increase - classified additive manufacturing			20,000
	Program increase - vertical integration of scramjet supply chain			15,000
	Program increase - gallium oxide for high power electronics			10,000
	Program increase - aerospace film technology manufacturing			4,000
	Program increase - aerospace films for increased operational range			5,000
	Program increase - operationalizing additive manufacturing for sustainment and modernization research			19,500
	Program increase - agile additive manufacturing for advanced hypersonic systems technology			5,000
	Program increase - virtual, augmented, and mixed reality readiness			8,000

THE FY24 DEFENSE APPROPRIATIONS ACT CONTAINS 1,072 PROGRAM INCREASES FOR PROCUREMENT AND RDT&E TOTALING OVER \$21 BILLION.

*This report was updated to correct an error in the data presented on political contributions.*

### Introduction

A new Taxpayers for Common Sense [database](#) reveals a staggering number and costs of congressional “program increases” to the Pentagon’s Procurement and Research, Development, Test and Evaluation (RDT&E) accounts in the recently enacted [FY24 Defense Appropriations Act](#). The majority of these increases went to projects that were not requested in the Pentagon budget. Overall Pentagon spending is rapidly approaching [\\$1 trillion](#) a year and these parochial additions are contributing to the bloat.

What started as 635 program increases in the Senate version of the bill and 581 program increases in the House version came out to 1,072 program increases in the final bill, a figure slightly less than the sum of the two. This should not be confused with restraint—most of the reduction from the combined 1,216 proposals in the House and Senate versions occurred because both chambers sometimes funded the same program increase. In these cases, the final bill generally took the higher of the two numbers. Toward the end of the process, congressional leaders airdropped another \$1.8 billion spread across 60 program increases that were not included in the original House and Senate versions. Consequently, the final bill allocates over \$21 billion to procurement and RDT&E

spending not requested in the FY24 Pentagon budget, including more than \$11 billion for projects not funded *at all* in the request.

## Program Increases Are Backdoor Earmarks

Though not formally earmarks, program increases serve a similar, arguably more covert, function. Traditional earmarks, which fund specific projects with predetermined recipients, are subject to transparency requirements—lawmakers must publicly attach their names to these earmarks and disclose the recipients. Furthermore, for-profit entities are ineligible for earmarks. The FY24 defense appropriations bill contained no traditional earmarks. Instead, program increases, which lack the requirement for personal attribution and are theoretically awarded through competition, have taken their place.

Under a heading titled “Funding Increases,” the [FY24 Defense Appropriations Act](#) states:

*The funding increases outlined in the tables for each appropriation account shall be provided only for the specific purposes indicated in the tables. It is directed that funding increases shall be competitively awarded, or provided to programs that have received competitive awards in the past.*

While this language is clearly meant to ensure that program increases are not used to target funding for specific recipients, in practice, many of these program increases will fund projects with a single, clear for-profit frontrunner.

Most program increases originated in the House and Senate Appropriations Committees, leaving little room for public scrutiny or debate regarding their merit or fiscal implications. Of the 1,072 program increases in the final bill, only 33 were discussed as House floor amendments (the Senate did not debate their bill on the floor). As sponsors, lawmakers were tied to those 33 increases. However, these amendments were passed en bloc, meaning they were voted on as a group with a single collective vote, which significantly limited the debate on each individual increase.

Another 25 increases totaling \$1.6 billion were included in response to unfunded priorities lists (UPLs), extra-budgetary wish lists that Congress requires all of the military services and combatant commands to submit that seek funding for items not included in the budget request. UPLs are problematic for a [number of reasons](#)—they undermine civilian control of the military by effectively creating a second budget request controlled by the military service leaders and combatant commanders rather than the Secretary of Defense; they are not required to include the same level of justifications and analyses of future costs as line items in the base budget request; and they invite budgetary gamesmanship by encouraging the Pentagon to leave items out of the budget that will likely be included in UPLs and funded by Congress. On the whole though, UPLs only made up about two percent of the total number of increases, and about seven percent of their total cost.

Overall, the general lack of transparency, public debate, and genuinely competitive selection process for many of these increases encourages wasteful spending. It enables members of Congress to functionally earmark funds for projects that often benefit their state or district, reward companies that may have contributed to their campaigns, or both, in a way that obscures the connection. Nevertheless, by scouring congressional press releases boasting about funding secured, and by analyzing contracts for similar projects, it is possible to infer the origins and possible motivations behind some of these program increases.

Below are a series of illustrative examples of the problematic nature of many of these congressional program increases to the Pentagon budget.

### \$4.2 Million for Stryker Driver-Assistance Systems

The final FY24 Defense Appropriations Act includes \$4.2 million for “Stryker driver-assistance systems,” funding originally proposed in the Senate version of the bill. The Stryker is a family of armored combat vehicles. In a [press](#)

[release](#) celebrating funding for Michigan in the FY24 spending bills, Senator Gary Peters (D-MI), a member of the Senate Appropriations Committee, wrote that the Pentagon spending bill “provides \$4.2 million to help the Army update the Stryker Family of Armored Vehicles with driver-assistance technology.” According to the release, “This funding will support autonomous capability efforts taking place at the Ground Vehicles Systems Center (GVSC) in Warren, and help ensure that Made in Michigan ground vehicles like the Strykers are operating with cutting edge technology designed to keep our servicemembers safe.”

General Dynamics Land Systems-Canada, a subsidiary of General Dynamics, manufactures the Stryker system. According to OpenSecrets, a nonpartisan research group tracking money in politics, General Dynamics is a major campaign contributor to Sen. Peters. Sen. Peters’ campaign committee and his Motor City PAC have received [\\$60,822](#) from General Dynamics’ PAC and individuals associated with the company since 2019. Over the course of his Senate career, Sen. Peters’ campaign committee and PAC have received a combined \$173,872 from individuals or PACs associated with General Dynamics.

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## **\$7 Million for the Omniblast Water Sensor**

A House-originated program increase included in the final bill added \$7 million for “Omniblast water sensor technology.” The Omniblast water sensor is a [patented product](#) made by Advanced Materials and Devices Inc. (AMAD), which describes it as “the first ever wearable underwater blast sensor.”

AMAD was awarded the patent in 2023, making it highly unlikely that this budget increase will be awarded through a competitive bidding process. Regarding past contracts, AMAD [won a contract](#) in 2022 for “a wearable underwater blast sensor,” but it was the sole bidder. Although this situation might technically satisfy the congressional mandate for prior competitive awarding (as the previous contract, with only one bid, could theoretically have been contested by other companies), the absence of a genuinely competitive process clearly contradicts the intended spirit of the requirement.

AMAD is located in Reno, Nevada, within the district of Representative Mark Amodei (R-NV), a member of the House Appropriations Committee. While Rep. Amodei’s campaign committee did not directly receive contributions from AMAD, it did receive [\\$3,000](#) in the 2024 election cycle from individuals associated with Cornerstone Government Affairs, a lobbying firm [representing](#) AMAD.

## **\$25 Million for Advanced Composite Shaft Design**

The final FY24 Defense Appropriations Act includes a \$25 million program increase that originated in the Senate bill for “Advanced Composite Shaft Design” under a program element titled “Ohio replacement,” referring to the replacement for the Ohio-class ballistic missile submarine.

In a [press release](#) celebrating funding for Mississippi in the second tranche of FY24 spending bills, Senator Cindy Hyde-Smith (R-MS), a member of the Senate Appropriations Committee, highlighted \$25 million for “Advanced Composite Wet Submarine Applications,” under a heading titled “Research – Work involving Mississippi universities and defense firms as part of Defense Department modernization initiatives.”

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*Since the start of her Senate career in 2018, Sen. Hyde-Smith’s campaign committee has received \$53,800 from individuals linked to Seemann Composites, LLC.*

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Seemann Composites, LLC, which brands itself as a “world leader in composites manufacturing,” is the [only company](#) in Mississippi previously awarded a Department of Defense contract for advanced composites, making it the most likely recipient of this program increase.

Since the start of her Senate career in 2018, Sen. Hyde Smith’s campaign committee has received [\\$53,800](#) from individuals linked to Seemann Composites, LLC, her second highest source of individual contributions.

### **\$100 Million for Additional Three-Dimensional Expeditionary Long-Range Radars**

The final FY24 Defense Appropriations Act allocated \$100 million for the acquisition of “additional three-dimensional expeditionary long-range radars.” Although Northern Command had sought \$211.5 million for this initiative in its [unfunded priority list](#) (UPL), and the Senate version of the bill originally proposed funding this request in full, the final bill only included \$100 million for this project. In a [press release](#) announcing “significant investments for Alaska” in the final set of spending bills, Senator Lisa Murkowski (R-AK), a member of the Senate Appropriations Committee, stated that she “worked to increase funding to sustain, repair, and modernize the infrastructure of Alaska’s Long-Range Radar Stations, Over the Horizon Radar, and the North Warning Systems.” She also highlighted “\$239.5 million for homeland defense radar improvements to close the capability gaps that came into focus after the Chinese spy balloon crossed the country.” The \$100 million for additional Three-Dimensional Expeditionary Long-Range Radars in the final bill is likely one portion of that \$239.5 million.

Lockheed Martin is currently [under contract](#) for the Three-Dimensional Expeditionary Long-Range Radar system. Between her campaign committee and her Denali Leadership PAC, Sen. Murkowski has received [\\$21,000](#) from Lockheed Martin’s PAC since 2019.

### **\$840 Million for Eight Additional Aircraft for the Air National Guard**

Clocking in at the 4<sup>th</sup> largest single-line funding increase for procurement or RDT&E in the final defense appropriations bill, Congress included an \$840 million program increase to finance eight additional C-130Js for the Air National Guard. In a [joint press release](#) celebrating “Illinois priorities they helped secure in the second ‘minibus’ of government funding bills,” Senators Richard Durbin and Tammy Duckworth, both Illinois Democrats, took credit for “\$840 million for eight new C-130J aircraft for the Air National Guard in support of units such as Peoria’s 182nd Airlift Wing,” a unit based in Peoria, Illinois. Sen. Durbin sits on the Senate Appropriations Committee.

The C-130J is a transport aircraft designed and built by Lockheed Martin. Lockheed Martin’s PAC and individuals associated with the company contributed a combined [\\$17,661](#) to Sen. Durbin’s campaign committee and leadership PAC since 2019, and a combined [\\$30,228](#) to Sen. Duckworth’s campaign committee and leadership PAC since 2019. In other words, since 2019, Lockheed Martin and individuals associated with the company have contributed \$47,889 to Senators Durbin and Duckworth and their leadership PACs.

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### **Conclusion**

The Constitution grants Congress the power of the purse—the authority to appropriate funds as it sees fit. Members of Congress have the responsibility to review the President’s budget request and adjust funding levels to best serve the nation. Many of the program increases offered by members of Congress, including some of those mentioned in this report, may well have been offered with the nation’s best interests in mind.

However, while lawmakers naturally focus on representing their state or district's interests, this should not supersede the national interest in effective and fiscally responsible spending. They are U.S. Representatives and Senators and swear an oath on the U.S. Constitution, not to any state or district. Yet, the congressional practice of offering anonymous program increases to the Pentagon budget invites parochially motivated spending and denies the American people an opportunity to evaluate the work of their elected representatives. The fact that these program increases emerge with little public debate and no publicly available justifications or assessments of long-term costs also erodes American taxpayers' and Congress' ability to assess the prudence of a significant portion of the Defense Appropriations Act both before and after its passage. Furthermore, while the FY24 Defense Appropriations Act's requirement that funding increases be competitively awarded or go to programs competitively awarded in the past is clearly intended to promote competition within the military sector and prevent lawmakers from directing funding to preselected entities, in practice, it achieves neither.

The combination of anonymity, the absence of justifications and long-term cost assessments, and weak measures to ensure funding is competitively awarded has led to a budgeting process prone to wasteful and parochially motivated spending and largely unaccountable to the American people.

Taxpayers deserve a fair and transparent budgeting process. If lawmakers believe adding \$21 billion to the Pentagon budget for procurement and RDT&E is in the best interests of the American people, that is their prerogative. But they should be required to identify themselves, explain their rationale, evaluate long-term costs, and report on the recipients of their increases once they are awarded.

### ***Recommendations for Congress***

- Implement transparency measures to ensure that the sponsor of each program increase can be easily identified online in a downloadable, searchable, and sortable format.
- Require sponsors of program increases to offer justifications and long-term cost assessments for each program increase and make these publicly available on their website.
- Require sponsors of program increases, within one year of the enactment of the Defense Appropriations Act, to list on their website the recipients of contracts for their enacted program increases, and whether those contracts were competitively awarded or awarded for projects that were competitively awarded in the past.