



## **Oral Testimony for Demand Progress Webinar on FY 2022 Appropriations**

April 30, 2021

Good morning,

My name is Andrew Lautz, and I'm the Director of Federal Policy at National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization. It's a pleasure and privilege to join our colleagues at Demand Progress and across the policy spectrum at this webinar today, and I'm pleased to testify on two fiscal year (FY) 2022 appropriations requests affecting the Office of Management and Budget (OMB): apportionment reform and updated criteria for the Overseas Contingency Operations, or OCO, account.

As some listeners may know, the Office of Management and Budget plays a critical role in managing taxpayer dollars. OMB handles the release of and messaging around the President's annual discretionary budget request, reviews economically significant regulations being promulgated at the federal agencies under the President's purview, and controls -- to some extent -- when and how Congressionally appropriated dollars are sent to the federal agencies.

It is the latter responsibility that concerns the first of two FY 2022 appropriations requests NTU is making today. OMB has the responsibility of regularly apportioning Congressionally appropriated dollars; in other words, the agency must release appropriated funds for use by the federal agencies tasked with spending certain taxpayer dollars. Unfortunately, OMB's decision-making process currently operates in something of a black box, making it difficult for government and non-government watchdogs to ensure OMB is playing a fair, efficient, and even-handed role in apportioning Congressionally-appropriated funds. We are requesting that the Financial Services and General Government appropriations bill include report language on the feasibility, cost, benefits, and drawbacks of developing a public website at OMB to report all apportionment decisions in a timely and transparent manner.

Fortunately, there is already bipartisan support for making such information publicly available. An amendment added to the Bipartisan Congressional Budget Reform Act in the 116th Congress, supported by a bipartisan set of lawmakers, would require OMB to report every apportionment of congressionally appropriated funds on a public website. It would also require OMB to report to Congress every time an agency requests appropriated funds that haven't been approved by OMB in a timely fashion.

Similar provisions are included in the Congressional Power of the Purse Act from the 116th Congress, which the House Committee on the Budget recently held a hearing on in this, the 117th Congress.

Given the inherent limitations of the appropriations process, we are hoping to advance progress on this important initiative by requesting a report from OMB on the costs and benefits of developing this website. Some stakeholders have raised concerns about the cost or administrative burdens such a public website requirement might put on OMB. A report from the agency could provide further clarity on these concerns, though Congress should ultimately have the final say on the matter rather than OMB.

In this requested report language, we also ask OMB to determine how many additional personnel might be required to accomplish this task. This will help both government and non-government watchdogs determine what kind of burden OMB thinks developing and updating a public website would put on the agency, and may help Congress ultimately craft apportionment transparency requirements that are easy for the agency to implement and easy for the public to access and understand.

We believe that lawmakers of both major political parties should, once again, be able to coalesce around this reform option. Whether a Republican or a Democrat is in charge of the White House, we believe Republicans and Democrats in Congress can both agree that Congress has the proper constitutional authority over federal tax and spending matters; in other words, the nation's purse strings. Requiring a modicum of transparency from OMB on its apportionment decisions is one step Congress can take to reclaim its power of the purse.

Our second appropriations request involves OMB as well, but would focus on the Department of Defense appropriations bill. We are asking for report language that requires the Under Secretary of Defense (Comptroller) to, in coordination with OMB, deliver to Congress and post on a public website a report on the governing principles of the Overseas Contingency Operations account, or OCO.

The OCO designation and the related Global War on Terror, or GWOT, budget designation, have been around since the early years of the Iraq War and the War on Terror. For many years, but especially in the past seven to eight years, the OCO account has become a slush fund for Defense priorities that have little or nothing to do with the emergency overseas needs the account was created to fund. One study by NTU counted \$164 billion in OCO funds that were dedicated to non-OCO programs over the past seven fiscal years - an extraordinary amount of taxpayer waste and slush.

Part of the problem is that neither OMB nor the Department of Defense have updated their criteria for what's to be included in the OCO account since 2010, despite long-standing recommendations from the Government Accountability Office to do so. While the urgency of this request is somewhat muted by the Biden administration's reported elimination of funding for the OCO account, we believe OMB and DoD should still update their criteria, should either

Congress or the Biden administration or a future administration try to revive OCO. Our report language would require, at a minimum, a five-year projection of OCO costs under the revised criteria developed by the Department. This will help taxpayers understand whether or not military leaders expect OCO to make a return in the near future.

I wish to thank listeners for their consideration of our requests and Demand Progress for the opportunity to participate in this webinar and offer some context on our recommendations. Thank you.