

January 12, 2022

The Honorable Betty McCollum
Chair, House Appropriations Subcommittee on Defense
U.S. House of Representatives
H-405 The Capitol
Washington, DC 20515

The Honorable Ken Calvert
Ranking Member, House Appropriations Subcommittee on Defense
U.S. House of Representatives
H-405 The Capitol
Washington, DC 20515

Dear Chair McCollum and Ranking Member Calvert:

On behalf of the undersigned organizations, thank you for holding this hearing on the important issue of the impact of continuing resolutions (CR) on the Department of Defense (DoD) and our national security.

We represent a broad, ideologically diverse community and recommend for the committee's consideration of a recently completed report by the Government Accountability Office (GAO) that thoroughly investigates this question. Published in September 2021, GAO-21-541¹ found the DoD regularly implements practices that mitigate the effects of CRs, thereby avoiding the harm that might otherwise have been anticipated. In fact, the GAO found, "activities related to preparing for and operating under CRs have become routine in nature and are an expected part of [the DoD's] annual planning and budget-related tasks."

Military services have learned to live with CRs, adapting their business practices accordingly by shifting contract start dates, certain purchases and training until later in the fiscal year. Unlike the "one-year" dollars for Operations and Maintenance or Military Personnel funds, which must be spent within the fiscal year appropriated, as you know, major acquisition programs are funded through accounts that are multi-year dollars, allowing for greater flexibility under a CR. Thanks to these measures, GAO reports "no examples of CRs negatively affecting training or readiness."

While there have been concerns about the impacts on new programs, the GAO explains that despite some limitations, programs "were able to avoid delays and cost increases during the fiscal years affected by a CR."

GAO reviewed all 254 Select Acquisition Reports submitted to Congress from FY 2017 to FY 2019 and conducted interviews with the officials responsible for the corresponding major defense acquisition programs. After that review, the GAO "did not find any instances" of delays or cost increases in major defense acquisition programs.

¹"DOD Has Adopted Practices to Manage Within the Constraints of Continuing Resolutions," United States Government Accountability Office, Sept. 13, 2021. <https://www.gao.gov/assets/gao-21-541.pdf>.

Though CRs are far from ideal, lawmakers should find this report reassuring. CRs have been in place at the start of the fiscal year a majority of the time for decades and anticipating this likelihood is to be expected from the agency vested with the responsibility of maintaining our national security.

Our organizations strongly believe Congress should meet its responsibilities to fund all departments prior to the beginning of the fiscal year. It is vital that Congress wield its “Power of the Purse” by considering and passing both a budget and appropriations in a timely and consistent manner. But it is equally important that those reflect the true nature of threats we face. For more than a decade, Admiral Michael Mullen, former Secretaries of Defense Robert Gates, Leon Panetta, Chuck Hagel, and many other members of the bipartisan Coalition for Fiscal and National Security² have continually warned “our long-term debt is the single greatest threat to our national security.”

More recently, General John Hyten, who served as the Vice Chairman of the Joint Chiefs of Staff from 2019-2021, while calling for spending reforms at the Pentagon and on-time appropriations, also added that we should be able to protect our country for \$700 billion a year and “it’s crazy that we can’t.”³

To that end, the management challenges presented by a CR should not be held out as an imperative greater than the need to enact fiscally sustainable policies and appropriations for FY 2022 and beyond. We strongly encourage the House Committee on Appropriations to consider GAO’s findings and to proceed with this new information in mind.

We thank you for your kind attention to this issue.

Sincerely,

R Street Institute
National Taxpayers Union
Project On Government Oversight
Taxpayers for Common Sense
Taxpayers Protection Alliance
Women’s Action for New Directions (WAND)

CC: Members of the House Committee on Appropriations

² Coalition for Fiscal and National Security, "Strength at Home and Abroad: Strengthening America’s Fiscal and National Security," Peter G. Peterson Foundation, May 10, 2016. <https://www.pgpf.org/pgpf-programs-and-projects/2016-cfns-statement>.

³ John Donnelly, “A Top General Calls for Restraining the Defense Budget,” *Roll Call*, Sept. 13, 2021. <https://www.rollcall.com/2021/09/13/a-top-general-calls-for-restraining-the-defense-budget>.