

January 10, 2022

The Honorable Ben Cardin
509 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Roger Wicker
555 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senators Cardin and Wicker:

On behalf of the undersigned organizations, advocates for taxpayers and for fiscal responsibility in the federal budget, we write to express our concerns with a new and possibly \$68 billion stimulus bill in response to the disruptions of the COVID-19 pandemic.¹ While our organizations recognize and appreciate the considerable challenges still facing American families and businesses, we believe that it would be irresponsible for Congress to commit potentially tens of billions of dollars in new taxpayer funds to businesses at this stage of the pandemic.

The U.S. federal government has spent extraordinary amounts of taxpayer resources combatting the public health and economic effects of the pandemic since March 2020. Across just six pieces of legislation, lawmakers have enacted policies that the Congressional Budget Office (CBO) projects will increase spending by \$4.57 trillion and decrease revenues by \$560 billion through fiscal year (FY) 2030 – a total deficit impact of more than \$5.1 trillion.² According to the International Monetary Fund (IMF), no advanced or emerging market economy in the world rivaled the U.S. in terms of additional COVID-19 spending (or foregone revenue) as a percentage of gross domestic product (GDP) from January 2020 through October 2021.³ The U.S. committed 25.5 percent of 2020 GDP to additional COVID-19 spending (or foregone revenue), while economic peers like Canada (15.9 percent), the United Kingdom (19.3 percent), and South Korea (6.4 percent) committed far fewer resources, both on a nominal basis and as a percentage of GDP.⁴

Rising cases and hospitalizations due to the omicron variant no doubt present a challenge to America's health infrastructure and workforce, but economic data do not suggest businesses urgently need tens of billions of dollars in additional, taxpayer-funded grants. The unemployment rate stood at 3.9 percent in December 2021, less than a half a percentage point higher than the nation's pre-pandemic low.⁵ For months, there have been more job openings than unemployed persons, with the rate of unemployed persons per job opening matching a 15-year low.⁶ We do not dispute that some businesses and industries are struggling more than others, but your reported effort to set up multiple industry-specific funds would amount to the government picking winners and losers with taxpayer dollars – all at a time when the data suggest the American economy is slowly improving.

¹ Romm, Tony. "Lawmakers begin early talks about another round of coronavirus relief targeting businesses." *The Washington Post*, January 5, 2022. Retrieved from: <https://wapo.st/3eZyEa1> (Accessed January 5, 2022.)

² See: CBO. "The Budgetary Effects of Laws Enacted in Response to the 2020 Coronavirus Pandemic, March and April 2020." June 2020. Retrieved from: <https://www.cbo.gov/system/files/2020-06/56403-CBO-covid-legislation.pdf> (Accessed January 5, 2022); CBO. "The Budgetary Effects of Major Laws Enacted in Response to the 2020–2021 Coronavirus Pandemic, December 2020 and March 2021." September 2021. Retrieved from: <https://www.cbo.gov/system/files/2021-09/57343-Pandemic.pdf> (Accessed January 5, 2022.)

³ IMF Fiscal Affairs Department. "Fiscal Monitor Database of Country Fiscal Measures in Response to the COVID-19 Pandemic." October 2021. Retrieved from: <https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19> (Accessed January 5, 2022; see the table on page 17 of the PDF file.)

⁴ *Ibid.*

⁵ FRED. "Unemployment Rate (UNRATE)." Updated January 7, 2022. Retrieved from: <https://fred.stlouisfed.org/series/UNRATE> (Accessed January 7, 2022.)

⁶ U.S. Bureau of Labor Statistics. "Number of unemployed persons per job opening, seasonally adjusted." Updated January 4, 2022. Retrieved from: <https://www.bls.gov/charts/job-openings-and-labor-turnover/unemp-per-job-opening.htm> (Accessed January 5, 2022.)

Public reporting has further indicated that the \$68 billion proposal contemplated by you and your colleagues “could include a mix of new spending and a repurposing of some unused cash authorized under previous packages.”⁷ While we strongly dispute there is any pressing need for \$68 billion in additional stimulus, should lawmakers determine that additional commitments are necessary, these funds should come *only* from unobligated and undisbursed funding authorized and appropriated under previous COVID-19 relief bills. Not a single new taxpayer dollar should be committed to this proposed effort, not with trillions of dollars already charged to the taxpayers’ credit card.

Tracking at USASpending.gov indicates that up to \$500 billion in unobligated budgetary resources may remain available from previously enacted COVID relief legislation. This includes \$107 billion from state and local government funding accounts, at least \$62 billion from Small Business Administration (SBA) loan and grant accounts, and \$18 billion from the Education Stabilization Fund.⁸ Though the government’s data is a few months old at this point, it is reasonable to expect that, at a minimum, tens of billions of dollars in already-approved COVID relief funding has not yet been obligated or disbursed by federal agencies.

If some lawmakers are concerned about additional public health funding to combat the omicron surge and *not* additional funding for business grants, we would still ask lawmakers to look first and foremost at the potentially billions of dollars in authorized, appropriated, but unobligated and undisbursed COVID relief funding available in public health accounts.⁹ We strongly believe it is possible for the government to combat the effects of omicron without saddling America’s taxpayers with additional debt.

Thank you for your consideration of our concerns. Should you have any questions or would like to meet with representatives of our organizations, we are at your service.

Sincerely,

National Taxpayers Union
Americans for Prosperity
Americans for Tax Reform
Council for Citizens Against Government Waste
R Street Institute
Taxpayers for Common Sense
Taxpayers Protection Alliance

CC: Members of the United States Senate
Members of the United States House of Representatives

⁷ Romm, Tony. “Lawmakers begin early talks about another round of coronavirus relief targeting businesses.” *The Washington Post*, January 5, 2022. Retrieved from: <https://wapo.st/3eZyEa1> (Accessed January 5, 2022.)

⁸ USASpending.gov. “The Federal Response to COVID-19.” Updated September 30, 2021. Retrieved from: <https://www.usaspending.gov/disaster/covid-19?publicLaw=all> (Accessed January 5, 2022.)

⁹ *Ibid.*