FEDERAL FUMBLES

VOL.6

SENATOR JAMES LANKFORD

My fellow taxpayers,

Shockingly, our national debt has passed $30 trillion[1]. When I released the fifth edition of *Federal Fumbles: Ways the Federal Government Dropped the Ball*, the Congressional Budget Office (CBO) predicted that our national debt would reach $34 trillion…by 2029[2]. It seems that the only thing the federal government is ahead of schedule on is our spending and debt.

Put plainly, we need a total reassessment of how the government spends taxpayer dollars. When I first started *Federal Fumbles* in 2015, our national debt stood at $18 trillion[3]. We have nearly doubled that within six years, and the pace simply keeps accelerating.

While the primary solution offered to fix our economy and our country seems to be additional spending, you may be surprised to know the federal government still has over $341 billion in unspent funds from the American Rescue Plan Act alone[4]. The only cost-cutting measure that seems to have gained traction this past year is the radical and irresponsible demand to defund the police and ICE.

Besides record-setting inflation, misspending and poor policy making also accompany the symptoms of our overspending problem. As I uncovered last year as the lead Republican on the Government Operations and Border Management Subcommittee, the Administration chose to spend over $2 billion[5] of your money paying contractors to babysit the construction materials meant to build the border wall instead of getting the job done.

We have to shift our focus from solely looking at the individual hornets and shift our focus to the hornet's nest so we can see the whole picture of what we are spending and truly start to tackle our debt. These big picture items like Social Security and Medicare and federal highway funding are absolutely essential to millions of Americans. These are the things that the federal government should be doing to provide for its people. Which is why it's important to secure solid fiscal footing to ensure they can continue to meet the needs of Americans.

Even with all this reckless spending and poor policy making, I scored a major touchdown when my Taxpayers' Right to Know Act was enacted into law. Longtime readers of *Federal Fumbles* will know how important this inventory of federal programs and all their spending and metrics will be. This is a win for taxpayers and it will provide transparency of duplication, inefficiency, and waste. A program of this magnitude will take several years to create, and my team and I remain actively involved in the process to make it come to life.

Now more than ever, we've got to look at how the government has dropped the ball and propose solutions to recover it before even more damage has been done. The federal government continues to fumble the ball at record speed.

In God We Trust,

James Lankford
United States Senator for Oklahoma

TABLE OF CONTENTS

WHERE ARE WE NOW?

NATIONAL DEBT
What we mean: The total amount of money the federal government has borrowed and the taxpayer must repay

- The total United States debt now stands at over $30 trillion. That's the equivalent of one dollar per second for one million years
- Twenty years ago, our debt was under $7 trillion[6]
- In 2020 debt held by the public surpassed the size of our economy at 100.3% of Gross Domestic Product
- In fiscal year 2021 (FY21), the federal government paid $562 billion[7] in interest payments on our debt

DEFICIT
What we mean: The total amount of overspending beyond incoming tax revenue in a single year

- In FY21 the federal deficit was nearly $2.8 trillion[8]
    - This means that in FY21 alone, we spent $2.8 trillion more than we took in
    - This is nearly triple the shortfall from 2019
- As a percentage of GDP, the 2021 deficit is the second-largest since 1945, exceeded only by the shortfall recorded in 2020 during the worst of COVID-19.
- Annual deficits are forecast to surpass $1 trillion per year for the next decade

SPENDING
What we mean: The total amount the Federal Government spends each year

- Net spending by the government was $6.8 trillion in 2021, 4% higher than in 2020
    - Spending in both 2020 and 2021 was nearly 50% greater than in 2019, thanks to COVID
- Outlays for the largest mandatory spending programs increased
    - Social Security: $1.123 trillion, a 17% increase[9]
    - Medicare: $696 billion, a 10% increase[10]

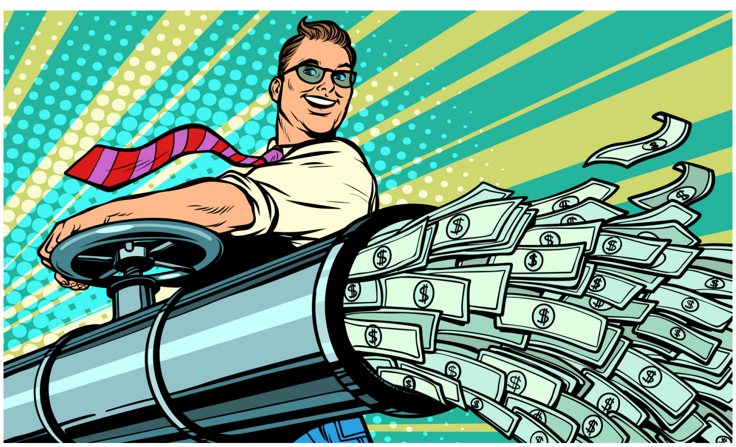
DEBT LIMIT
What we mean: The maximum amount of debt that the Department of the Treasury can issue. The debt limit is how much the government can borrow to pay for things like Social Security and Medicare benefits, military salaries, interest on the national debt, roads, education, tax refunds, grants and contracts, and other payments.

For some background, the debt limit was first enacted in 1917 and was set at $11.5 billion to provide additional flexibility for borrowing. In 1939, Congress created the first aggregate debt limit, covering nearly all government debt, which was set at $45 billion, 10% above total debt at that time[11]. Compare that limit–$45 billion–to today's limit of nearly $31.4 trillion, and you'll get a sense of just how much our spending, borrowing, and debt has ballooned in 80 years.

The federal debt limit is supposed to ensure that Congress has eyes on the government's overall spending. **In theory, as we approach the debt limit, Congress should review the government's finances and change spending.** However, that oversight mechanism has gone out the window for years.

When debt approaches the debt limit, Congress has several options:

- Leave the debt limit in place which would immediately halt all government deficit spending but also cause economic chaos in every state;
- Increase the debt limit, which allows additional borrowing and even more destructive debt;
- Maintain the current debt limit and use "extraordinary measures" to postpone hitting the debt limit and delay the inevitable; or
- Temporarily suspend or abolish the debt limit.



WHAT DOES THIS ACTUALLY LOOK LIKE? 2011 V. 2021

In 2021 the US completely fumbled the debt limit ball compared to how Congress dealt with it in 2011. As I have mentioned in previous editions of *Federal Fumbles*, **the goal of the debt limit is to control the debt**. Congress worked to do just that when it addressed the debt limit in 2011. While the Budget Control Act of 2011 did increase the debt limit by $2.4 trillion, it also required a $900 billion spending slowdown, and it established a super committee to further address out-of-control spending.

In August 2019, Congress passed, but I opposed, the Bipartisan Budget Act of 2019. This bill included a **debt limit suspension** through July 31, 2021, which means the existing debt limit was "suspended" through that time period, meaning Congress could overspend as much as they wanted until July 31, 2021. On August 1, 2021, the debt limit was reset to **$28.4 trillion**.

While the debt limit automatically reset to $28.4 trillion, it was not increased to allow for new borrowing.

So yet another of Congress's options came into play: maintaining the current debt limit and using **extraordinary measure**s to postpone actually hitting the debt limit. On August 2, 2021, the Secretary of the Treasury declared a "**debt issuance suspension period**" which allows the Secretary to suspend certain payments and investments, relying on "extraordinary measures."

These "**extraordinary measures**" are essentially accounting mechanisms to ensure that we don't default on our debts; this is what Treasury relied on to help pay for federal obligations during the months of August, September, and the first half of October 2021. That is what we call, "Robbing Peter to Pay Paul!" It uses some government funds to pay other debts, but all of these accounts have to be paid back as well.

Then in October the Senate and House passed a debt limit increase of **$480 billion,** which was signed by President Biden, which raised the debt limit to around **$28.9 trillion**. That debt limit increase extended Treasury's ability to pay federal bills; however, that relief wouldn't last long. I vehemently opposed that decision.

The debt limit is in place to provide an opportunity to evaluate our federal spending and create needed adjustments, not just ignore the problem. However, soon after Treasury Secretary Janet Yellen warned that increase was not enough to keep up with federal spending and that an additional increase or suspension was needed to continue government operations[12].

As the middle of December 2021 quickly approached, Republicans and Democrats in Congress could not come to agreement on how to address the debt limit. So a new debt limit process was enacted, enabling Democrats to increase the debt limit with no Republican votes. As a result, the debt limit was increased solely by Democrats by **$2.5 trillion** to approximately **$31.4 trillion**.

Like the agreement in October, I strongly opposed the decision to increase our debt limit without any addressing our federal overspending problem. Real reforms are needed to address our increasing debt and deficits.

If Congress had not taken action and instead hit the binding debt limit, there would have been several possible consequences:

- Reduced ability for Treasury to borrow funds on good terms, which increases federal debt;
- Negative reactions and outcomes in global economies and financial markets due to the expected default on US Treasury obligations;

- Imposition of interest penalties from a delay of certain federal payments and transfers; and
- Downgrades of the US credit rating, which could hurt domestic capital markets.

Ultimately, if the debt limit is breached, the federal government would have to temporarily default on many of its obligations, which could include Social Security payments to recipients, salaries for federal employees, veterans' benefits, and utility bills. Without enough money to pay its bills, all government spending is at risk.

We cannot default on our obligations. That jeopardizes necessary operations and payments and threatens the full faith and credit of the United States. Our nation's fiscal responsibility is extremely important to the trust of the American public and countries around the world. However, Congress cannot continue to spend without regard for our ballooning national debt. As mentioned before, reaching the debt limit is supposed to act as a moment to evaluate our finances, but unfortunately that has not occurred in recent years. We must have a real dialogue about changing our irresponsible spending.

Since taking office, Oklahomans have shared their concern about our nation's fiscal outlook. We have accumulated over $30 trillion in debt under the leadership of both parties. The bottom line is that we consistently spend more than we take in and we do not have an effective mechanism in place to restrain that spending. This is unsustainable and irresponsible. Future action on the debt limit must be accompanied by measures to address the debt.

SPENDING SPREE

So where does all the money go? A $2.8 trillion deficit in a single year is simply not normal, responsible, or manageable.

The last two years, this money has been spent either in COVID "relief" bills, a massive "infrastructure" package, or the annual appropriations bills that Congress must pass to keep the government open. In addition, there have been billions of dollars wasted at our southern border.

The COVID pandemic brought with it unprecedented levels of federal spending, some of which was warranted. The Paycheck Protection Program was a necessary solution to keep our businesses alive and employers and employees attached during a time of extreme uncertainty. Funding for Operation Warp Speed was necessary to provide access to COVID-19 vaccines.

What was not COVID-related spending or an emergency, was $13.3 million for office furniture at a Florida Army facility[13]. Additionally, $1.9 million of your tax dollars was approved to renovate buildings at Guantanamo Bay[14] and nearly $1.3 million was approved for solar lights at the military base[15]. Nearly half a million dollars for an emergency parachuting training simulator…in the United Kingdom[16], is not COVID-related. And nearly $200,000 was approved to fund uniforms for the Old Guard,[17] again in the United Kingdom. None of that was COVID related.

To make matters worse, President Biden rerouted over $2 billion meant for COVID relief to fix his disastrous border policies. Specifically, $850 million that was meant to replenish our Strategic National Stockpile was redirected to the border, along with another $850 million which was meant to expand COVID testing. Another $413 million was also pulled from the Health and Human Services Department (HHS) that was intended for existing health initiatives.

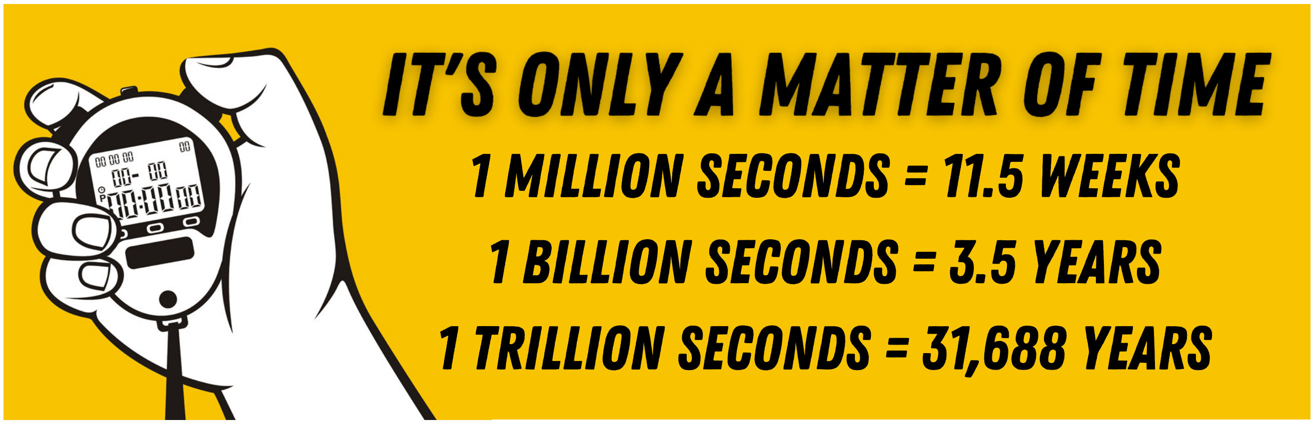
But that didn't stop the spending. Here's a rundown of the trillions of dollars we're now on the hook for:

MARCH 2020	CORONAVIRUS PREPAREDNESS & RESPONSE SUPPLEMENTAL APPROPRIATIONS ACT	$8.3 BILLION
MARCH 2020	FAMILIES FIRST CORONAVIRUS RESPONSE ACT	$225 BILLION
MARCH 2020	CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT	$2.2 TRILLION
APRIL 2020	PAYCHECK PROTECTION PROGRAM & HEALTH CARE ENHANCEMENT ACT	$483 BILLION
DECEMBER 2020	COVID PROVISIONS IN FY 2021 APPROPRIATIONS ACT	$920 BILLION
MARCH 2021	AMERICAN RESCUE PLAN	$1.8 TRILLION
	= $5.6 TRILLION	

That is over $5.6 trillion and the spending has not stopped.

NOVEMBER 2021	*INFRASTRUCTURE BILL: $1.4 TRILLION, INCLUDING $1 BILLION FOR SIDEWALKS AND LOCAL BIKE INFRASTRUCTURE, $2.5 BILLION FOR ELECTRIC VEHICLE CHARGING INFRASTRUCTURE, AND A BUCKET OF MONEY TO EXPAND INTERNET ACCESS...FOR PRISONERS.*	*$1.4 TRILLION*
NOW	*BUILD BACK "BROKE": $3.5 TRILLION, INCLUDING $555 BILLION FOR CLIMATE PROGRAMS, A $29 BILLION SLUSH FUND FOR THE ENVIRONMENTAL PROTECTION AGENCY, $10 BILLION FOR HIGH SPEED RAIL, $2.5 BILLION TO PLANT TREES TO INCREASE "TREE EQUITY AND COMMUNITY TREE CANOPY", $2.5 BILLION FOR POSTAL SERVICE ELECTRIC DELIVERY VEHICLES, AN ADDITIONAL $3.4 BILLION FOR THE NEEDED CHARGING INFRASTRUCTURE FOR THE POSTAL SERVICE'S ELECTRIC VEHICLES, $1 BILLION FOR SALMON CONSERVATION EFFORTS, AND $47 MILLION TO PROMOTE TRAVEL WITHIN THE UNITED STATES.*	*$3.5 TRILLION*
	= $10.5 TRILLION	

For perspective, one million seconds is about 11 and a half weeks. One billion seconds is 31 and a half years. One trillion seconds is 31,688 years. Now multiply that by ten. That's the spending we're talking about.



Annual Appropriations

None of the excessive funding includes the spending bills Congress must pass every year to keep government open and avoid a shutdown. These bills, called annual appropriations bills, are what funds government programs including our military, scientific research, childhood education programs, and public housing.

- FY21: $1.4 trillion in annual appropriations and $900 billion in additional COVID "relief"
- FY22: $1.5 trillion in annual appropriations

And to top it off, President Biden recently released his budget proposal for FY23, which would cost $5.8 trillion. While there is no chance the President's Budget Proposal becomes law, it demonstrates the reckless nature of spending in Washington.

Regardless, these trillion-dollar bills are riddled with government waste, which increased drastically in FY22 when earmarks returned.

Here are some of the most atrocious waste fumbles this year.

FUMBLES

ATHLETIC FIELD LIGHTING IN NEWPORT NEWS: $975,000

This athletic field will be shining bright unlike our balance sheet that's in the red.

NICETOWN SPORT COURT: $1,000,000

Recreation is important, but it can be done with local and private dollars.

COLLEGE DORMS: $7.5 MILLION

Students and parents are already on the hook for college tuition and loans. However, federal taxpayers are now also on the hook to pay $7.5 million for two new college dorms at Lac Courte Oreilles Ojibwe College and Xavier University.

PRESIDENTIAL LIBRARIES: $31.5 MILLION

$20 million will be spent for the Ulysses S. Grant Presidential Library, and another $11.5 million will be spent on the Harry Truman Presidential Library. Preserving presidential history is important, but so is the amount of dollars we spend.

FARMING IN HAWAII: $896,000

One of Hawaii's largest organic farms got a payment of $896,000.

FUMBLES

APE HABITATS IN AFRICA AND INDONESIA: $8.5 MILLION

Would you rather see $8.5 million go towards Habitats for Apes in Africa and Indonesia or to Habitat for Humanity?

THE LOBSTER LOBBY: $1.3 MILLION

$765,000 of your tax dollars are going to Maine to study the future of the lobster industry while $569,000 is going to remove lobster pots in Connecticut.

****TOP 10 FUMBLE***

SEEING SEAWEED: $945,000

Almost $1 million is going to the coast of Oregon to survey its kelp forests. We should instead be surveying a different green material: our debt.

DEMOLITION OF THOMAS AQUINAS SCHOOL BUILDING: $350,000

The Biden Administration has seemed to find a new way to religious freedom, including the destruction of a building named after St. Thomas Aquinas.

CAFFEINATING COLOMBIA: $2 MILLION

Next time you order a Colombian roast at your coffee shop, you might want to add in the cost of paying $2 million to indigenous coffee producers in Colombia.

FUMBLES

POOL RENOVATIONS IN RHODE ISLAND: $2.3 MILLION

Our national debt is quite literally diving into the deep end, specifically in a pool at Veterans Memorial Park in Rhode Island.

HARBOR VILLAGE RV PARK: $2 MILLION

Next time you're on an RV trip, I'd highly recommend stopping at this facility in Oregon since you're paying for it.

SKI JUMPING: $500,000

Half a million dollars is going to revamp a ski jump at Nansen Ski Club in New Hampshire, which is owned and operated by the state of New Hampshire. So you are paying for your state parks and theirs.

****TOP 10 FUMBLE***

GREENHOUSE IN NEW YORK: $605,000

Sen. Schumer is spending over half a million of your tax $ to fund a greenhouse in New York that promotes nutrition at a children's hospital. It's a worthy cause, but why are Oklahomans paying for this?

FISHING IN GUAM: $3 MILLION

While this fisherman's co-op in Guam is catching $3 million, I highly doubt they'll be releasing it back to us.

****TOP 10 FUMBLE***

FUMBLES

ALGAE BLOOM MONITORING FOR A LAGOON IN BISCAYNE BAY, FLORIDA: $2 MILLION

Algae blooming is common and only sometimes harmful, unlike our national debt blooming to $30 trillion.

ARTWALK PROJECT IN TRENTON: $500,000

An artwalk is a fun cultural experience for local communities, which is why local dollars should fund them instead of a million federal dollars.

APARTMENT ELEVATOR RENOVATION IN NEW JERSEY: $232,000

What goes up, must also come down can be applied to most things including elevators–but not our national debt.

STREETSCAPING IN JOPLIN: $3 MILLION

Oklahomans enjoy our neighbors in Missouri, but we may need to have a chat after spending $3 million on their Main Street "Streetscaping" project.

TELLING NEW JERSEY'S UNTOLD STORIES: $206,000

I'd rather spend $206,000 on a project to tell the untold story of our national debt.

FUMBLES

SEAFOOD EQUITY: $2.35 MILLION

In Rhode Island, $1.6 million will be spent to promote the "equitable growth" of the shellfish industry. Meanwhile $750,000 will also be spent to engage diverse communities in the stewardship of wild salmon.

BUSES: $21 MILLION

Oklahoma taxpayers are funding electric buses in Georgia, Illinois, and Washington. Over $8 million is going to Illinois, nearly $4 million is going to Georgia, and $2.6 million is going to Washington

$3.3 million is going to improve bus stop stations in Ohio

$3 million is going to create a bus request and tracking app in Utah

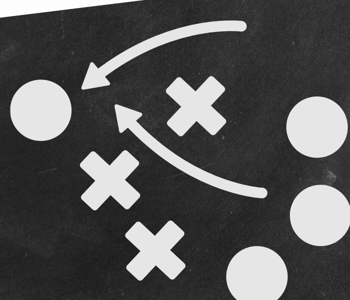
TREES: $2 MILLION

$1.5 million is going to tree restoration in Ohio, and another $500,000 is going to Oregon to promote tree "equity".

THEATER RENOVATIONS: $8.7 MILLION

$3 million to redevelop the Ambassador Theater in Maryland, $2.5 million to renovate a theater in Ohio, $2.2 million on the Ritz Theater and Cultural Center in Georgia, and $1 million to enhancements to the Mann Center for Performing Arts in Pennsylvania.

FUMBLES



SIDEWALKS AND BIKE TRAILS:

Millions of dollars are going to sidewalk projects and bike trails. Included in this amount is $960,000 for a sidewalk on Purgatory Road in Rhode Island, $2.9 million to plan and design Palmetto Trails in Florida, and $500,000 for bike path bridges in Rhode Island. Another $424,000 is replace 5,580 feet of sidewalk on Country Club Road in Avon, Connecticut.
Lastly, a whopping $2 million went to bike trails in Vermont.*

You paid for your sidewalk, and theirs.

TOP 10 FUMBLE

CALIFORNIA CASH: $4 MILLION

Agoura Hills and Calabasas Community Center: $1,000,000
Cupertino Library: $1,000,000
Cable Car Renewal Master Plan in San Francisco: $2,000,000

COUNTY COURTHOUSES AND TOWN HALLS: $28.6 MILLION

Don't mind that the federal government has zero jurisdiction over county governments, much less the appearance of its facilities, but taxpayers are on the hook to renovate country courthouses and town halls to the tune of over $28.6 million.

And those are just a sampling of earmarks, which are just a part of the annual spending bills. Here are more wasteful spending examples that occurred in fiscal years 2021 and 2022:

Roads in India

While Americans were relying on the National Institutes of Health (NIH) to combat COVID, they were spending your tax dollars in questionable ways. For example, they gave over $413,000 to study the impact that the "climate crisis" has on kids and teenagers' mental health[18] and over $164,000 to improve the safety of rural roads and highways…in India.[19] The NIH also awarded $1.2 million to develop a sun safety program for people with tattoos[20] and over $366,000 to develop a social media game to increase physical activity for older women[21].

Shake It Off?

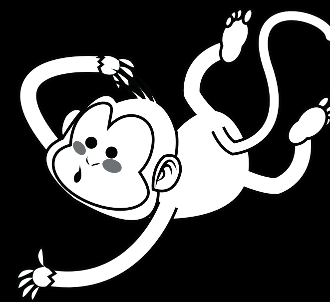
While the government was shutting down small businesses and threatening the paychecks that families depend on the National Endowment for the Arts (NEA) was spending over $20 million on opera, theater, and dance performances[22]. Specifically, the NEA gave $50,000 to support a puppet theater in Chicago[23] and $10,000 for a dance performance that encourages the liberation of embracing the "complex spectrum of gender"[24]. They gave $16,000 for the production of *Fat Pig*[25] an opera that tells the story of a plus-sized woman who falls in love with a man who has a "normal" body.

Russian History

The National Endowment for the Humanities (NEH) gave $120,000 for two authors to write books on Russian art. They spent $60,000 to write a book about Soviet film director Sergei Eisenstein and his late writings about art, politics, and landscape[26], Another $60,000 was given to write a book about Russian filmmaker Evgenii Bauer to highlight his work in theater, film, and garden design[27].

TOP 10 FUMBLES

$15K on a monkey opera



TOP 10 FUMBLES

$120K to write about Russians

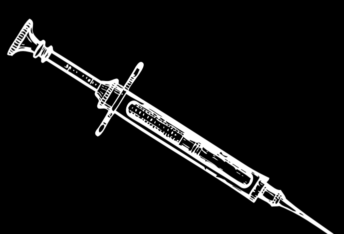
PEKING UNIVERSITY

TOP 10 FUMBLES

$2.6 million to China for "health studies"

TOP 10 FUMBLES

$30 million on "safe smoking kits"



Championing China

The NIH awarded millions of dollars directly to China during the pandemic, $1.7 million of which was given to Peking University to fund the China Health and Retirement Study[28], which develops an aging survey for China. In addition, the NIH paid $606,000 directly to the Chinese Center for Disease Control and Prevention to support influenza surveillance and researching the global risk of novel infections throughout China[29].

They even awarded over $280,000 to fund a study that develops culturally appropriate interventions to support anti-smoking efforts in China and Vietnam[30]. Why do Americans need to pay for China to study anti-smoking efforts?

The NEH also awarded $30,000 to fund a book about the migration of Russians born and raised in China who migrated into the USSR in the 1950s[31].

American taxpayers would probably rather not see us invest in communist countries that give us global pandemics, steal our intellectual property, and commit genocide on religious minorities.

Soft on Crime, All in on Drugs

The threats don't stop at the border; they expand into our streets. In order to try to combat that, the Biden Administration announced a $30 million grant program called the "safe smoking kit" program. The grant program will provide naloxone (known as Narcan), fentanyl test strips, and clean syringes so people smoking crack and doing drugs can be cleaner about it. So instead of fighting the drugs coming in at the open southern border, equipping law enforcement to take down the drug cartels, and doing drug interdiction on our interstates and highways, we're spending taxpayer dollars to make doing drugs easier. How does that sound?

All About Abortion

Although President Biden is actively working to get rid of the Hyde Amendment, which blocks federal funding for abortion in the US, I was able to secure continued compliance with Hyde and all the other existing protections for life on federal funding bills. However, the Biden Administration is still doing everything it can to promote abortion in the US and abroad including using funds to prop up Planned Parenthood and other abortion providers.

Dr. Robert Califf was confirmed to serve as the Food and Drug Administration commissioner even after he pushed so hard for mail-order chemical abortions with no supervision. All human beings have value and worth and deserve to be treated with dignity and respect. But this Administration has pushed for paying millions of dollars to end human life in the womb.

Border Boondoggle

President Biden was so determined to leave the border open, he spent (read: wasted) well over $2 billion to not build fencing. Career professionals at the Department of Homeland Security (DHS) had studied and recommended the wall system on our border, but Biden paid Department of Defense (DOD) contractors millions a day not to build the wall but to babysit the fence materials on the ground ready to be installed. Then after a year of public pressure, Biden agreed to "close the gaps" in the border fence.

The only problem is the fence Biden is building is not a deterrent; it's a precious little picket fence along the border that will not deter illegal immigration and is nearly useless to the Border Patrol.

They asked for a fence, but Biden gave them a guardrail.

But don't worry. DHS now plans to deploy "robot dogs" to help patrol the border. Like something out of a dystopian novel, these robot animals cost from $90,000 to $150,000 each and will not stop illegal immigration. So the Biden Administration pays defense contractors $2 billion to watch steel cook in the desert and six figures for robot dogs to patrol the border. That is a waste.


LET'S DIVE DEEPER ON OUR DEBT AND DEFICIT.
WHERE DOES ALL THIS MONEY COME FROM, AND HOW DO WE PAY FOR IT?
$5 TRILLION
$50 TRILLION
$10 TRILLION
$35 TRILLION
$25 TRILLION
$30 TRILLION

What is debt and deficit?
At the core, budgeting for the federal government starts with the same process that you and your family have: you can't spend more than you bring in.

When the government spends more money than it takes in, this creates a one-year deficit. For example, in FY21, we spent over $6.8 trillion but collected $4 trillion. This resulted in a one-year deficit of over $2.8 trillion.

Debt is the accumulation of deficits. This year's $2.8 trillion in overspending adds to the $3.1 trillion in overspending from the year, added to the overspending the years before that, has created our $30 trillion+ national debt.

Deficits mean we're spending money we don't have. But the nation doesn't have a giant credit card to pay for that overspending.We have to borrow the money every month to pay the bills.

How does it work?
To keep up with government overspending, Treasury is tasked with borrowing money to pay the government's bills. It does that through running an auction that occurs nearly every day selling Treasury securities which include bills, bonds, and notes. Like cattle, securities are an investment. However, unlike cattle, securities aren't living, breathing, and mooing. In fact, they really only exist on paper. But they serve a critical role in funding our government and have massive implications on our overall economy. Importantly, they are thought of as the safest investment because they are fully backed by the government.

And unlike a cattle auction, the participants aren't just faces you likely recognize from around town. Anyone can participate in a Treasury auction, including you. However, most investors who buy our debt include large financial corporations, the Federal Reserve, and other countries.

Auction Process
Announcement
It all starts with a public announcement issued by Treasury. Although Treasury conducts an auction nearly every day, it announces the auction in advance. The announcement tells auction participants information about the auction, such as what type of security will be offered, a dollar amount of the offering, and when investors will receive their profit.

For example, it will say Treasury will auction $50 million of four-week bills on February 23, 2022, which means that $50 million in bills will be available for purchase. It also means the bill will mature in four weeks, which means that on March 8, 2022, the investors will realize their profits.

Bidding
After the auction is announced, the bidding can begin up to 30 days before the auction date. It is all done electronically through the Treasury Automated Auction Processing System.
There are two types of bids: noncompetitive bids and competitive bids. Noncompetitive bids are guaranteed to win, are generally submitted by smaller investors and are capped at $5 million per investor.

On the other hand, competitive bids are submitted by bigger investors like large banks and foreign countries. For example, as of July 2021, investors in the United States owned $9.8 trillion of our debt, Japan owned $1.3 trillion, and China owned $1.1 trillion.

As the name suggests, competitive bids are not guaranteed to win. It is a competition among the investors who will bid the lowest interest rates. The interest rate will determine the amount of profit the investor will make. In turn, it also determines the cost for the government to borrow the money. Investors want to make the highest profit, while the government wants to borrow as cheaply as possible.

Here's a rundown on how it works:
Investors buy securities by bidding interest rates. The lowest interest rate bid wins the security. The securities give the investors a steady and reliable investment while giving the government the cash it needs to pay for benefits and make other payments.

The amount of money the investor will make depends on the bids that are submitted. The higher the interest-rate bid, the higher the profit. However, only the lowest bids win, so the system is designed to get lower interest rates for the taxpayer.

Bills
Sold at a discount from their face value, the discount is what is determined by the interest payments the investors bid. Only the lowest rates win.When the bill reaches its maturity date, the investor is paid the bill's face value. Maturity dates are either 4, 13, 26, or 52 weeks which means that the profit to the investor is the face value minus the discount they initially bought it for.

Notes and Bonds
Bills pay off only when they mature, but notes and bonds provide periodic interest payments to investors. In addition to receiving the notes or bonds at face value at their maturity, the investor also receives interest payments on the security. The interest payments received are based on the investor's rate they bid on at the auction. Notes and bonds have longer maturities than bills. Notes have 2, 3, 5, 7, and 10-year maturities, while bonds have 30-year maturities.

Results
When the auction is complete, the noncompetitive bids are awarded first. Then the competitive bids begin. Competitive bids are ranked in order of the yields that were bid (lowest to highest). All bids are accepted until the offering amount is met. Once the security offering amount is met, that rate becomes the “stop” yield. The stop yield determines the price all investors receive for their securities.

The winning investors are then issued their securities in exchange for the funds. Those funds are deposited into Treasury’s accounts, and the US government keeps meeting its spending obligations.

To recap, when investors buy securities, they are giving a loan to the government to pay for spending. That loan will need to be paid back with your tax dollars, on time and in full, on the maturity dates.

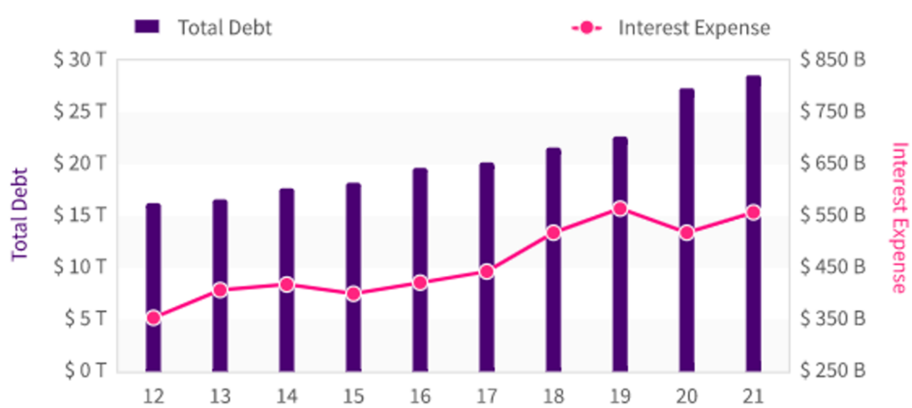
This process happens day after day, providing the government with the money it needs and offering investors a reliable and profitable investment strategy. It also means day after day, the government is adding millions of dollars to our debt with the caveat that it must pay it all back, plus interest.

HOW DO WE PAY FOR THIS?

We're on the hook for over $30 trillion plus interest of national debt. That's over the equivalent of one dollar per second for one million years.

Interest

In FY21, we paid $562 billion[32] in total interest payments. Putting that into perspective, that's at over 6% of our overall spending as a nation. Over the past 10 years, our net interest costs have grown by 25% relative to the size of our economy. That may not sound like a lot, but compare that to where we were 10 years ago when our debt was $16 trillion[33].



Interest expense is what the government pays to investors who loan money to the government. How much the government pays in interest depends on:

- the total federal debt; and
- the interest rate investors charge when they loan money to the federal government.

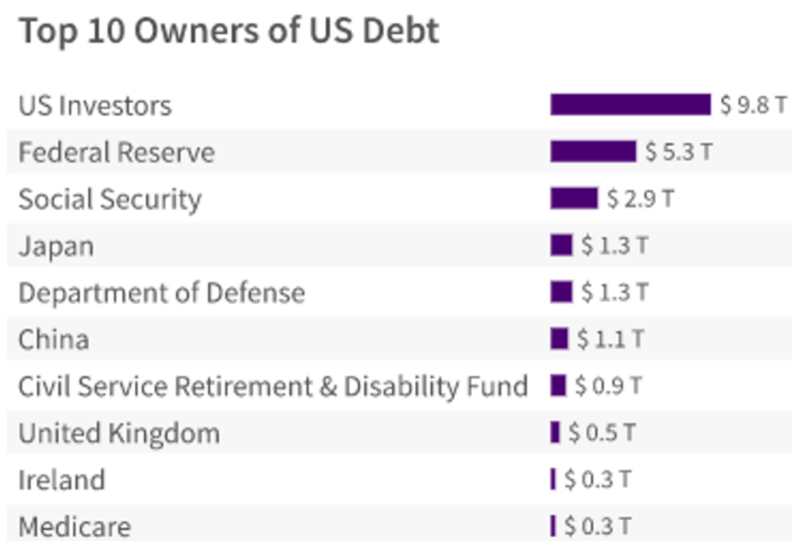
Source: USAspending.gov, https://datalab.usaspending.gov/americas-finance-guide/debt/analysis/

Keep in mind that interest rates have been incredibly low for years. That will not always be the case. The added borrowing increases the supply of securities issued by Treasury, which usually leads to higher interest rates.

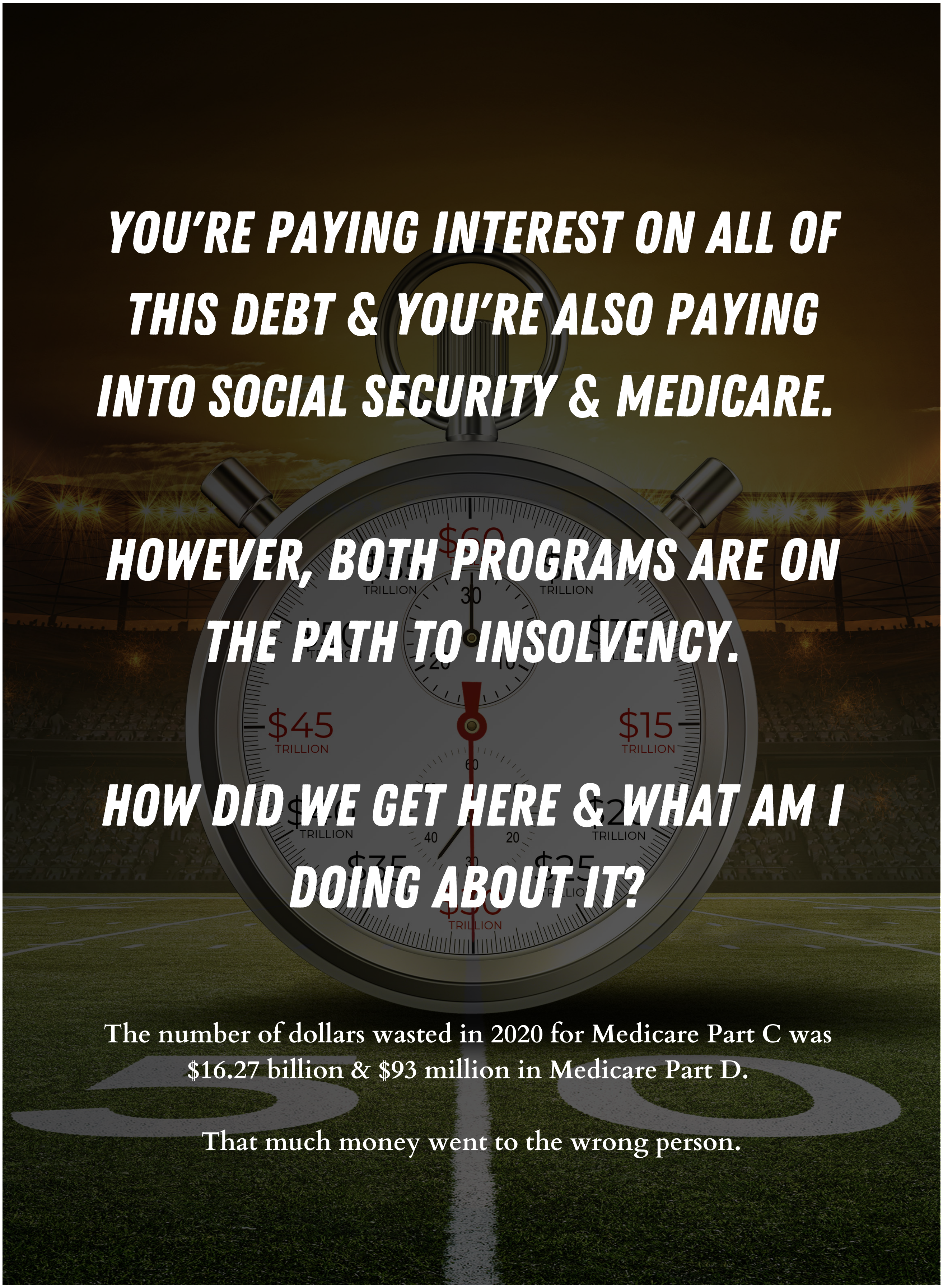
For example, the Congressional Budget Office (CBO) expects that between 2021 and 2030, our deficits will total nearly $13 trillion[34]. Every cent of that $13 trillion will have an interest cost attached to it. CBO also projects that our net interest payments will double during that period, reaching $664 billion in 2030.

And we might see interest rate increases soon due to increased government spending and the resulting high inflation. With our debt already tremendously high, even small increases in interest rates will lead to significantly higher costs. CBO projects that the interest rate on a 10-year Treasury note will average 1.6% from 2021-2025, before nearly doubling to 3.0% from 2026-2031. From there, it is expected to drastically rise to 4.9% by 2051[35]. That is significant, especially considering our growing debt level.

People and investors outside America hold 33% of our debt[36]. We paid investors in Japan, China, and other countries $137.2 billion in interest in 2020[37]. The United Kingdom owns $0.5 trillion of our debt. However, China owns nearly triple that amount of our debt, $1.1 trillion. That means America is paying interest on $1.1 trillion in debt directly to the Chinese government and its citizens.



The top 10 owners of debt reflect 83% of total debt, which was $28.43 trillion as of July 2021. At the end of July 2021, 53% of federal debt was owned by investors from the United States, including the Federal Reserve. The various trust funds operated by the United States government, like the Social Security and Medicare trust fund accounts, held another 22% of federal debt. Foreign investors owned the remaining 25% of federal debt. For a more comprehensive list of foreign investors, visit the Treasury International Capital (TIC) System.



YOU'RE PAYING INTEREST ON ALL OF THIS DEBT & YOU'RE ALSO PAYING INTO SOCIAL SECURITY & MEDICARE.

HOWEVER, BOTH PROGRAMS ARE ON THE PATH TO INSOLVENCY.

HOW DID WE GET HERE & WHAT AM I DOING ABOUT IT?

The number of dollars wasted in 2020 for Medicare Part C was $16.27 billion & $93 million in Medicare Part D.

That much money went to the wrong person.

SOCIAL SECURITY & MEDICARE

Americans have paid into Social Security and Medicare throughout their entire working lives and rightly count on those benefits during retirement. However, recent reports from the programs' Boards of Trustees reveal something that continues to be ignored: Medicare and Social Security are going insolvent, with Medicare's Hospital Insurance trust fund going insolvent by 2026 and the combined Social Security trust funds going insolvent by 2034.

So what does that mean for you and the future of those programs? Because both Social Security and Medicare are housed in trust funds, the programs can't simply borrow funds to keep afloat. Congress hasn't directed those funds to the programs, although like we've seen with the highway trust fund and the disaster relief fund, that's not always the best idea. We need true, structural reform to get these programs back on track. Americans on Social Security and Medicare have paid into these programs, and it is up to us to ensure they're protected in the long run.

Before we get into Social Security and Medicare, what exactly is a trust fund and what is FICA?

One way to think about the trust funds is to picture them as bank accounts. Income for the programs flows in, and expenditures flow out. Medicare and Social Security each have multiple trust funds, or accounts, and each is distinct.

For example, the Social Security Administration (SSA) has two separate Social Security trust funds. The Old-Age and Survivors Insurance (OASI) trust fund, which pays retirement and survivor benefits, and the Disability Insurance (DI) trust fund, which pays disability benefits. Social Security taxes are deposited into these two accounts, and Social Security benefits are paid from them. These funds can only be used to pay benefits and program administrative costs, which means the money flowing into the trust funds is specifically for that trust fund and can only be used to pay for benefits dedicated to that particular program. For example, specific payroll taxes that employers and employees pay flow into the Social Security trust funds. That income can only be used to pay Social Security benefits; it cannot be used for other programs or costs.

Accordingly, the trust funds do not have an impact on the federal debt because Americans provide the trust funds with income through dedicated payroll taxes. Known as the Federal Insurance Contributions Act (FICA), which makes up what you pay in Social Security and Medicare taxes. The Social Security payroll tax rate is 12.4% and employers and employees each pay half, 6.2% each. Of that 6.2%, 5.3% goes into the OASI, and 0.90% goes into DI. The Medicare payroll tax rate is 2.9%, and employers and employees each pay half, 1.45%. The total of those taxes together is 15.3%. If you are self-employed, you pay the full 15.3%.

This income is used to pay monthly benefits. Under the law, if there is more income than needed to cover benefits, that income is then invested in Treasury securities. Essentially, the trust funds are "lending" funds to Treasury's general fund to pay for other federal expenditures. Just like when you and I borrow money, the federal government must pay the money back and must pay interest back to the trust funds for these "loans." The interest is another income source for the trust funds.

This type of "lending" from one part of the government to another is called **intragovernmental debt.** On the flip side, when income from taxes isn't enough to pay for benefits, the opposite transaction takes place; the trust fund redeems its assets that are held as Treasury securities for cash. Essentially, this results in the general fund paying back the trust funds for amounts it had previously borrowed. Under law, these funds are required to be paid back to the trust funds.

Because of intragovernmental debt, the federal government is able to borrow less money from the public. Without this, the government would have to increase our publicly-held national debt because we can't borrow from other parts of the government.

Right now, we have approximately $30 trillion in debt[1]. Of this amount, nearly $23.5 trillion (around 78%) is debt held by the public. This is all federal debt held by those nongovernment entities like individuals, businesses, banks, insurance companies, state and local governments, pension funds, foreign governments, and Federal Reserve Banks. Intragovernmental debt is currently just over $6.5 trillion, around 21% of total debt. As mentioned above, this is debt that one part of the government owes another. Because these debts represent an asset from one part of the government and a liability from another part, in total they have no impact on the government's overall finances.

The Board of Trustees projected that beginning in 2021, the Social Security program would begin to run in a deficit, requiring the trust funds to start drawing from their assets to pay full benefits, redeeming the Treasury securities mentioned earlier. When that happens, as the program chips away at its asset reserves, there will be less intragovernmental debt available, meaning the federal government will have to increase revenues, decrease spending, or increase publicly held debt.

So while the trust funds don't have an immediate impact on debt directly, if revenues and spending do not change, the government will have to borrow more publicly and as a result, pay more in interest. Together this could threaten our nation's fiscal health and potentially put the program at risk for those who rely on it.

SOCIAL SECURITY AT A GLANCE

At the end of 2020, Social Security was providing benefits to about **65 million people.** In 2034 the Social Security trust funds, considered on a combined basis, will become insolvent, which means that without action they will **not have enough money to pay full benefits.** At that point Social Security will only be able to rely on inbound payroll taxes, which will only be sufficient to cover three-quarters of currently scheduled benefits.

Considered separately, the OASI trust fund reserves will be depleted in 2033, and the DI trust fund reserves will be depleted in 2057. Inbound Social Security payroll taxes have been insufficient to cover all costs since 2010, however, the program relied on interest to help cover the costs. However, in 2021, payroll taxes and interest together will not be enough. According to the trustees, Social Security will run a **deficit in 2021 and all later years,** which means Social Security's total cost will exceed its total income. When that happens, Social Security has to rely on asset reserves, which are currently at $2.9 trillion. **These asset reserves will be depleted in 2034, leading to insolvency.**

It is time to fix Social Security.

I have long advocated for making sure our government programs are running efficiently and using taxpayer dollars wisely. A big component of that is making sure government programs assist those who they were intended to assist and are not sending money to people who are not eligible to receive it.

In fact, in my fifth volume of *Federal Fumbles*, I highlighted an instance in which SSA's watchdog, the Office of the Inspector General (OIG), found that SSA issued approximately $11.6 million in payments to deceased individuals in Puerto Rico. It could not be determined why the deaths were not in Social Security's system or whether Puerto Rico even reported them to SSA.

These improper payments threaten the longevity of the program and undermine the program's integrity. I will continue to work with my colleagues to eliminate the issuance of improper payments and make sure that payments go to the right people.

Another big component of making sure our government programs operate efficiently is eliminating fraud, which requires secure systems and tools to protect beneficiaries' personal information.

Unfortunately, government programs have long struggled with fraud and improper payments. As discussed in my third volume of *Federal Fumbles*, in August 2017, SSA's OIG released a report showing that from 2014 to 2016, almost $11 million in Social Security benefits were stolen from 7,200 beneficiaries by someone altering their direct deposit information on the SSA website. While SSA was able to recover a fair amount of the funds, fraud threatens both benefits and the security of beneficiaries' information.

Where did Social Security come from?
As you know, Social Security provides monthly benefits to millions of Americans every year. Someone in your family is probably collecting Social Security benefits as we speak. So where did the program come from? In 1935 President Roosevelt signed the Social Security Act, which created Social Security, which was designed to give a continuous income to retired workers to help ease their later years. These monthly benefits are designed to replace part of a worker's earnings and to help ensure financial wellbeing in retirement. This was the creation of the OASI program.

Monthly disability payments, or DI, were established later by the Social Security Amendments of 1956. Benefits were provided for disabled insured workers between the ages of 50 and 65 and to disabled children of retired or deceased insured workers if the child was disabled before age 18.

These trust funds are separate; but they are often discussed together, as OASDI.

So what is Social Security's status today?
Today Social Security has about 65 million beneficiaries including retired workers and family members, disabled workers and family members, and survivors of deceased workers.

As it stands today, Social Security is one of the nation's largest programs, in terms of both the number of people affected and its finances.

In 2020 the Social Security program, OASI and DI together, had a total income of $1.118 trillion and a total cost of $1.107 trillion[39]. Separately, OASI had a total income of $968.3 billion and a total cost of $961 billion, and DI had a total income of $149.7 billion and a total cost of $146.3 billion. These amounts and the number of people impacted show the pure scope of the program and those that rely on it[40].

B. TRUST FUND FINANCIAL OPERATIONS IN 2020

Table II.B1 shows the income, cost, and asset reserves for the OASI, the DI, and the combined OASI and DI Trust Funds in calendar year 2020.

Table II.B1.—Summary of 2020 Trust Fund Financial Operations
[In billions]

	OASI	DI	OASDI
Asset reserves at the end of 2019	$2,804.3	$93.1	$2,897.4
Total income in 2020[a]	968.3	149.7	1,118.1
Net payroll tax contributions	856.0	145.3	1,001.3
Interest	73.3	2.8	76.1
Taxation of benefits	39.0	1.7	40.7
Total cost in 2020[b]	961.0	146.3	1,107.2
Benefit payments[b]	952.4	143.6	1,095.9
Administrative expenses	3.7	2.6	6.3
Railroad Retirement financial interchange	4.8	.1	5.0
Net increase in asset reserves in 2020[b]	7.4	3.5	10.9
Asset reserves at the end of 2020[b]	2,811.7	96.6	2,908.3

[a] Includes less than $50 million in reimbursements from the General Fund of the Treasury and gifts. See section III.A for details.
[b] Benefit payments which were scheduled to be paid on January 3, 2021 were actually paid on December 31, 2020 as required by the statutory provision for early delivery of benefit payments when the normal delivery date is a Saturday, Sunday, or public legal holiday. The amount of these payments was approximately $18.7 billion for the OASI Trust Fund and $6.1 billion for the DI Trust Fund. For comparability with the values for historical years and the projections in this report, all trust fund operations and asset reserves reflect the 12 months of benefits scheduled for payment each year.

Note: Components may not sum to totals because of rounding.

Source: *"The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds", Table II.B1, at https://www.ssa.gov/OACT/TR/2021/tr2021.pdf*

How is Social Security financed?
Social Security is a self-financing program, this means that the program has a dedicated and automatic stream of income. Look at your paystub next month, and you'll see it. It's typically listed as FICA-SS or FICA-Social Security. The Social Security payroll tax rate is 12.4% and employers and employees each pay half, 6.2% each. There is an annual limit on the amount of earnings subject to these taxes. For 2022 that limit was $147,000. This earnings level is both the contribution base (amount of earnings subject to the SSA payroll tax) and the benefit base (amount of earnings used to determine benefits). Currently 94% of US workers are in Social Security covered employment, subjecting them to that tax[41].

Table II.B2.—Payroll Tax Contribution Rates for 2020
[In percent]

	OASI	DI	OASDI
Payroll tax contribution rate for employees	5.3	0.9	6.2
Payroll tax contribution rate for employers	5.3	.9	6.2
Payroll tax contribution rate for self-employed persons	10.6	1.8	12.4

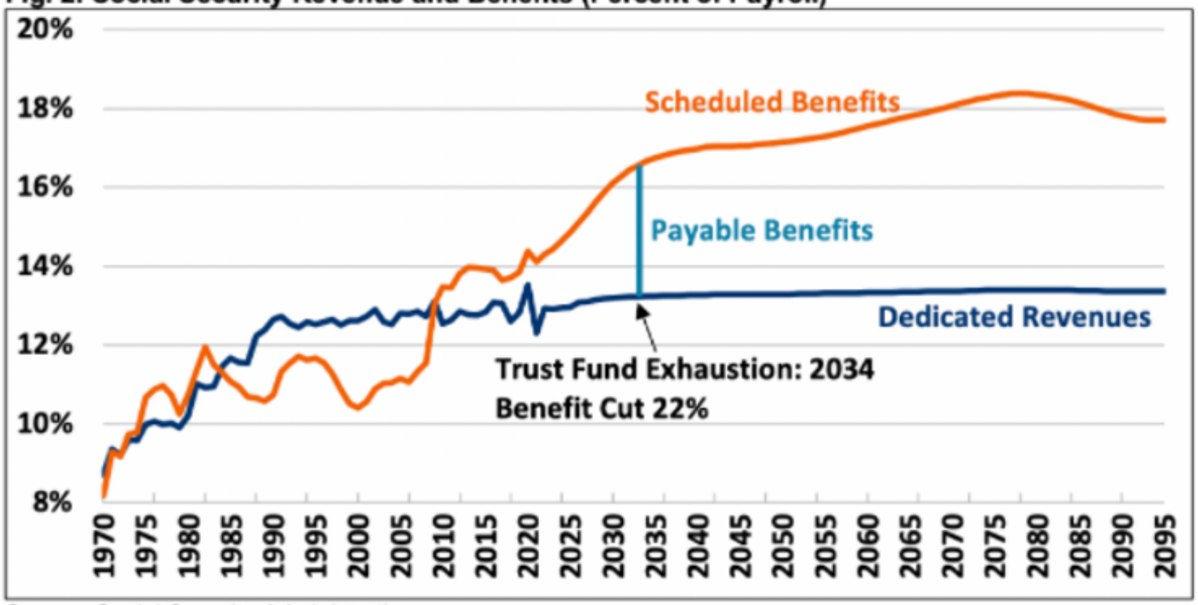
Source: *"The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds", Table II.B2, at https://www.ssa.gov/OACT/TR/2021/tr2021.pdf*

In 2020 SSA FICA payroll taxes accounted for 89% of income into the Social Security program. Other sources of income include federal income taxes paid on certain benefits, interest income on assets held by the Social Security trust funds, and a small amount of other income.

Like you and me, the Social Security program must keep tabs on the income it receives and the costs it incurs. Historically Social Security collected more in revenue than it spent on benefits, which meant the program was able to set aside extra assets in the trust funds (a surplus) for use at a later time. At this point, the trust funds have approximately $2.9 trillion set aside[42].

However, since 2010 Social Security paid more in benefits than it collected in dedicated tax revenue. From 2010 to 2021 Social Security was able to bridge that gap with the interest it made on assets held by the trust funds. However, according to the trustees, in 2021 even revenue plus interest was insufficient to cover all costs, which means the program will have to draw on those set-aside assets it has: the $2.9 trillion mentioned earlier. While that sounds like a lot of money (and it is), it is expected that the $2.9 trillion in remaining assets will be exhausted in 2034. At that point, the income the program receives from payroll taxes will only cover about three quarters of scheduled benefits, creating a gap between scheduled benefits and payable benefits[43].

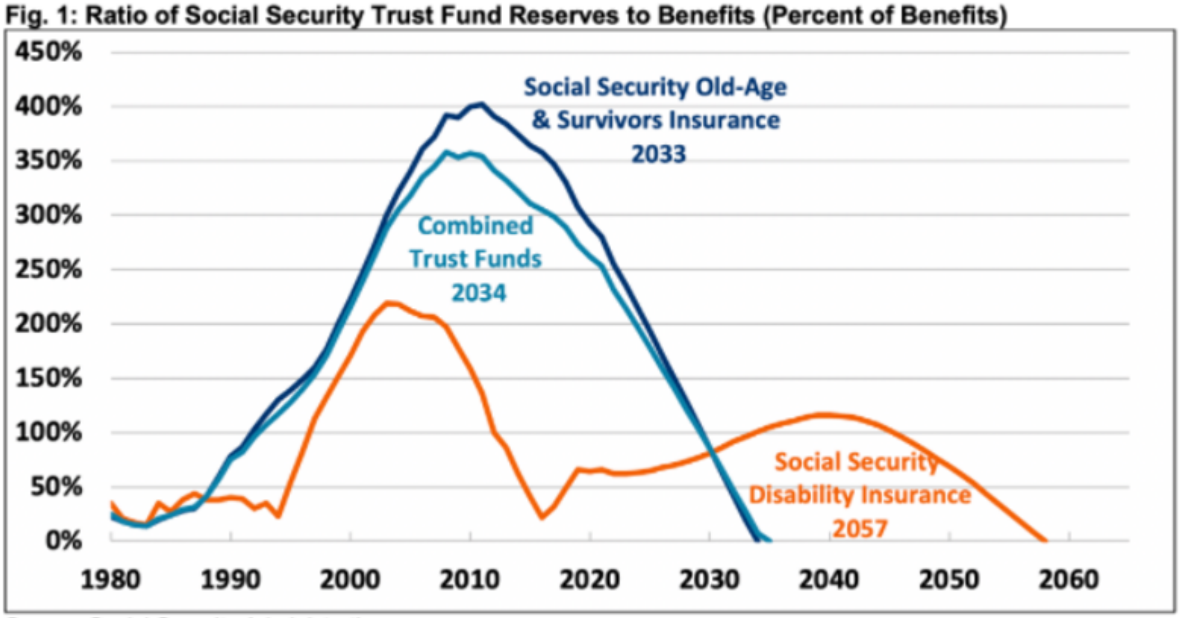
Fig. 2: Social Security Revenue and Benefits (Percent of Payroll)



Source: Social Security Administration.

Source: *"Analysis of the 2021 Social Security Trustees' Report", Figure 2, at https://www.crfb.org/papers/analysis-2021-social-*

Fig. 1: Ratio of Social Security Trust Fund Reserves to Benefits (Percent of Benefits)



Source: Social Security Administration.

Source: *"Analysis of the 2021 Social Security Trustees' Report", Figure 1, at https://www.crfb.org/papers/analysis-2021-social-security-trustees-report*

Considered together, OASDI's cost is projected to exceed total income in 2021 and deplete asset reserves in 2034. Considered separately, the OASI trust fund reserves become depleted in 2033 and the DI trust fund reserves become deleted in 2057[44].

[44] "Analysis of the 2021 Social Security Trustees' Report". Committee for a Responsible Federal Budget. 2021 August 31. https://www.crfb.org/papers/analysis-2021-social-security-trustees-report

Unless Congress acts, everyone on Social Security will automatically have a certain prior benefit in 2034 to keep Social Security afloat. Now is the time to fix this predictable problem.

Why is Social Security going insolvent?

The cause of Social Security's funding shortfall is driven by a number of factors, mostly demographic. In comparison to the rest of the program's lifetime, we have recently experienced low fertility rates and increases in longevity, meaning we have and will have fewer workers contributing to Social Security and more people benefitting from the program for longer amounts of time. As a matter of fact, the US abortion industry has killed tens of millions of babies who could have grown up to pay into Social Security.

Determining the future costs and income of the program is dependent on many demographic factors, including birth rates, death rates, immigration, employment rates, productivity, wage growth, price growth, interest rates, disability benefits claims rates, and program design.

Because the number of workers paying into the system relative to the number of beneficiaries is declining, the cost of Social Security will increase faster than its income. Simply put, we now have fewer people paying into the trust funds but more people receiving benefits.

WASTE, FRAUD, & ABUSE

"MR. SOCIAL SECURITY"

From October 2004 to December 2017, Eric Conn participated in one of the largest schemes in Social Security's history. In conjunction with a former Social Security administrative law judge (ALJ), multiple doctors, and others, Conn submitted thousands of falsified medical documents to SSA to obtain disability benefits for his clients, which were accepted. Those fraudulent benefits cost the Social Security program more than $550 million.

In 1993 Eric Conn opened a legal practice near his childhood home in eastern Kentucky. Despite his small-town location, Conn attracted thousands to his practice, promising clients that he, "Mr. Social Security," could help them get benefits. At the height of his practice, he employed nearly 40 people and made more than $3.9 million in legal fees from SSA. Working together with ALJ David Daugherty, Mr. Conn was able to secure favorable decisions in hundreds of cases . Cycling through cases at unprecedented rates, ignoring rotational case assignments, and consistently issuing favorable determinations created an assembly-line of hundreds of clients.

Judge Daugherty would coordinate with Conn to generate a list of clients that Daugherty planned to approve for benefits that month. If any required additional medical evidence of "mental" or "physical" ailment, Conn would have the claimant see one of several doctors that he had paid to provide medical assessments. After receiving the medical documents, Judge Daugherty overturned earlier agency denials, awarding Conn's clients disability benefits.

The speed at which these cases were determined and the rate at which they were deemed favorable did not go unnoticed. In fact Conn and the Chief Administrative Law Judge for the Huntington West Virginia office, Charles Andrus who ignored the questionable behavior taking place, conspired and acted to have an SSA employee terminated in an effort to discredit the employee, who was providing information about the scheme to federal agents.

In 2011, SSA placed Judge Daugherty on administrative leave and removed Judge Andrus from his position as Chief ALJ but allowed him to remain in the Huntington office. In 2013 Andrus was also placed on administrative leave. All the while, Conn continued to represent claimants and even opened a new office in California.

It wasn't until 2017 and 2018 that the Department of Justice (DOJ)[45] announced action taken against Eric Conn. On July 12, 2017, the Court imposed 12 years of imprisonment for paying illegal gratuities to an SSA ALJ and theft of government money. In June 2018, Conn was convicted on one count of conspiracy to defraud the United States, one count of conspiracy to escape, and one count of conspiracy to retaliate against the informant who has since retired. On September 7, 2018, DOJ announced that Conn was also sentenced to 15 years (to run consecutive to the additional 12 year sentence) in prison for his role in retaliating against an informant and fleeing the United States. In total for his work in defrauding Social Security of $550 million, Conn was sentenced to 27 years in prison and ordered to pay over $72 million in restitution.

Daugherty, Andrus, and the others involved were also sentenced to varying periods of imprisonment, based on their activities in the scheme.

Eric Conn and his counterparts have garnered interest from the news media, SSA itself, and lawmakers on Capitol Hill[46], spurring documentaries, reports, and investigations from all sides. While the Conn case and the events that unfolded are an extreme example of fraud, corruption, and program breakdown, the case highlights many specific steps that need to be taken to prevent this type of wrongdoing from happening again.

Which dial would you turn to fix Social Security solvency?
Given the program's uncertain fiscal future, ensuring Social Security solvency should be a priority for lawmakers on Capitol Hill. The debate ranges from the solvency of the trust funds to the amount of benefits received and the amount of payroll taxes paid. All in all there are many different philosophical views on the role of Social Security and the appropriate level of federal government involvement in an individual's retirement. There are also plenty of philosophical views on how best to restore the trust funds' balance. Some proposals include increasing the amount of wages subject to the payroll tax, increasing the payroll tax rate itself, raising the retirement age, changing the calculation for the annual cost-of-living (COLA) adjustment, and altering the benefit formula. Each of these policy choices impact different populations, further complicating the path to reform.

One way to think of each of the items above is to picture them as a dial. Which ones would you move to put Social Security on a better financial path? Here are some examples of the choices and dials:

Benefits:

- Would you reduce initial benefits?
    - By how much?
        - If you only touched this dial, you'd need to reduce initial benefits by nearly 27%[46]
- Would you increase the retirement age?
    - To 68? 69? Or indexed to longevity?
        - If you only increased the age from 67 to 68 and didn't make any other modifications, only 12% of the shortfall would be addressed
- What about modifying the COLA?
- Would you change eligibility for Disability Insurance, which might only eliminate 7% of the shortfall?

Taxes:

- Would you increase the payroll tax rate?
    - By how much?
        - If you only touched this dial, the payroll tax rate would need to be increased by nearly 3.4% (a 27% increase of the current payroll tax)[47]
- Would you increase the amount of income subject to those payroll taxes?
    - Should all wages face the tax or a percentage of wages? A set dollar amount as is currently the case?
- How could additional revenue be raised?
    - Would you increase the level of tax on benefits? This alone would close 6% of the gap

How do we fulfill the promise of Social Security to current and future beneficiaries? Which dials would you move[48]?

What other changes are needed in Social Security programs?

While the debate over full programmatic reform continues, there are some responsible improvements that can be made on a piecemeal basis. Substantial reform will be needed to truly restore Social Security's long-term financial wellbeing, but additional reforms can be made to modernize the program, promote integrity, and improve efficiency.

With respect to DI, while SSA has made some recent progress, many of the rules used to determine whether or not a claimant meets SSA's definition of disability remain outdated. Specifically, many elements on the list of medical-vocational guidelines used to determine eligibility for disability benefits (known as the "grid") have not been updated in a meaningful way since the early 1980s. In fact the most recent "High Risk List" from the Government Accountability Office (GAO) still lists "Improving and Modernizing Federal Disability Programs," and specifically notes that SSA is expected to update its vocational criteria sometime in FY21, however, no documentation, details, or timeline had been provided by SSA[50]. At this point, it is unclear if or when SSA intends to make any additional updates to the grid.

While we do mention these needed changes, the SSA has made some positive progress in the space of program integrity and preventing improper payments. Specifically, SSA's Cooperative Disability Investigation (CDI) program continues to be one of the most successful initiatives contributing to the integrity of SSA's disability programs. The CDI program, created in FY1998, investigates disability claims that state disability examiners believe are suspicious. Its primary mission is to resolve questions of fraud before any improper payments are made. To date the program has saved billions of taxpayer dollars within the DI program.

In addition, prior to the COVID pandemic, SSA eliminated the Continuing Disability Review (CDR) backlog. CDRs are used to determine whether an individual has demonstrated any medical improvement, and they help ensure only eligible individuals continue to receive benefits. If CDRs are not conducted as scheduled, some individuals may receive benefits for longer than they're eligible, spending taxpayer dollars and threatening the integrity of the program. Due to COVID SSA's CDR backlog has returned. I will continue to push SSA to expeditiously eliminate the backlog and prioritize CDRs in a way that maximizes cost savings.

Additional changes are needed - modernizing how the SSA issues payments, prevents improper and overpayments, confirms eligibility, protects against fraud, and ensures program integrity will continue to be topics of discussion. These changes are necessary, but they don't negate the need for big programmatic reform. We need program integrity and program solvency. We will need Social Security reform that brings the program out of the red because 2034 is not that far off. But we also need reform that protects the integrity of the program, its purpose and its valuable assets. If we want to ensure that Social Security survives past its 100th birthday, it's time to get to work.

MEDICARE AT A GLANCE

What Is It?
Medicare is made up of four separate parts: A, B, C, and D.

- Part A, also known as hospital insurance, covers inpatient hospital services, skilled nursing care, hospice care, and some home health services.
- Part B, or medical insurance, covers a range of medical services and supplies, including physicians, laboratory services, outpatient hospital and some home health services, physician-administered drugs, and durable medical equipment.
- Part C, or Medicare Advantage (MA), provides a private plan option that covers all Parts A and B services, except for hospice. MA plans may offer additional benefits or require smaller co-payments or deductibles than original Medicare. MA beneficiaries makes up about one-third of all Medicare beneficiaries.
- Part D covers many prescription drug costs. About three-quarters of eligible Medicare beneficiaries are enrolled in Part D.

If you or your spouse paid Medicare taxes for at least ten years, you will most likely be automatically enrolled in Part A. All other parts are optional and may require an additional premium, similar to a premium required for traditional health insurance benefits.

What's Going On With It?
The Hospital Insurance (HI) trust fund that funds Medicare Part A, runs out of money in 2026, only four years away. We haven't been this close to insolvency in almost 26 years. Once the HI trust fund is depleted, revenue from the Medicare payroll tax, the tax that every US employee has withheld from their paychecks, will only be able to cover 91% of Medicare's current costs. That means Medicare benefits wouldn't completely disappear, they would just decrease by about 9%. Medicare providers are already threatened with substantial cuts. The health care industry and seniors could not afford an additional 9% cut. Medicare's monthly premiums continue to increase, trying to make up for some of the loss. The HI trust fund's spending will exceed revenue by $578 billion over the next decade. It would take a 27% increase in the payroll tax rate or a 16% spending cut to ensure solvency at this rate. Total Medicare spending is now 4% of GDP. In the next 20 years, that number is expected to grow to over 6%.

As I pointed out in Volume 3 of *Federal Fumbles*, Medicare has been on GAO's high risk list since 1990 due to high spending levels, cybersecurity weaknesses, and a lack of fraud prevention. I continue to seek answers on the actions being taken to root out fraud, waste, and abuse. We know that our Medicare spending is a long-term problem due to insolvency concerns. If we know that and are not ensuring every taxpayer dollar used as a Medicare benefit is spent effectively and correctly, we are failing the American people and should be taking every action to make sure the dollars aren't spent fraudulently. Reducing fraud won't solve all the financial problems with Medicare but it should be an obvious first step.

How Does Waste Happen?

Have you ever gotten a bill, particularly a medical bill, and wondered what it was for? I bet many of you have even caught something wrong on a bill and gotten it fixed. Human error exists, but so do bad actors.

In Medicaid alone, a November 2020 report showed that Medicaid improper payments had reached 21.4%. Total Medicaid improper payments totaled $86.5 billion for all of last year. In Medicare fee-for-service, the 2020 improper payment rate was 6.27%, meaning that $25.74 billion was incorrectly spent. And that's just in one part of Medicare.

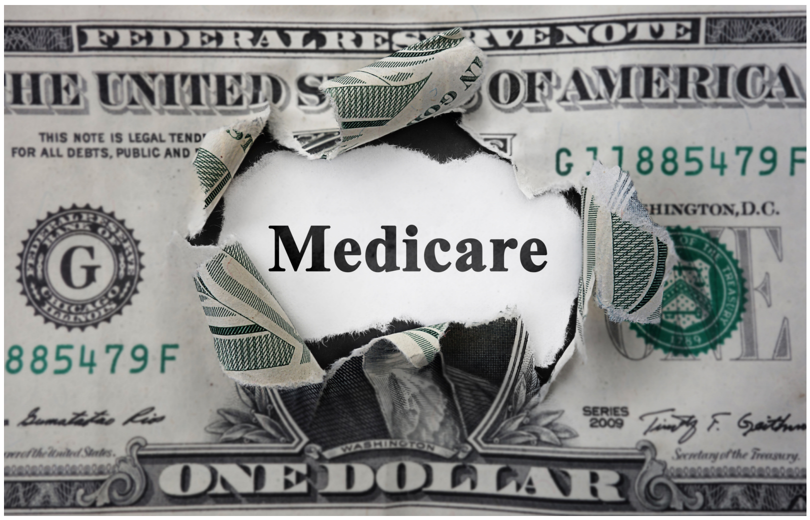
The amount of money wasted in 2020 for Medicare Part C was $16.27 billion and $93 million in Medicare Part D. That much money went to the wrong person. That money could have either been saved or provided increased coverage for a Medicare or Medicaid beneficiary. We should ensure proper oversight on all levels of federal health care spending since the dollars belong to taxpayers.

Due to inaction on proper payment oversight and unnecessary overspending in Medicare's hospital and prescription drug programs, these problems are getting worse.

I urge my colleagues to join me in my "good government" efforts to end unnecessary and inflated spending in the Medicare program by calling for increased oversight and fraud prevention and supporting legislation that saves Medicare dollars while still providing necessary services to beneficiaries.

How Is Medicare Funded?
Every working person pays a Medicare tax, most often within FICA, in addition to other federal and/or state income taxes withheld from our paychecks. You most likely see these on your tax forms when you file each year.

Under FICA for 2022, the Medicare tax is 1.45% of income contributed by an employer and 1.45% of income contributed by the employee, a combined 2.9%. There is a required additional Medicare tax of 0.9% required to be withheld by employers for those filers earning over $200,000[51]. Medicare taxes go into a Medicare trust fund that then pays for covered health services for Medicare beneficiaries.



Where Do My Medicare Tax Dollars Go?
Funds for Medicare are primarily held in two separate trust funds, the HI trust fund and the Supplementary Medical Insurance (SMI) Trust Fund. HI funds Medicare Part A, and SMI funds Medicare Parts B and D. Since Medicare Part C, or Medicare Advantage, is a private portion of the program, it is funded by participants' premiums.

About 89% of Medicare Part A is funded through payroll taxes and supplemented by income tax revenue from Social Security benefits, which amount to the other 8%. The trust fund for Medicare Parts B and D is funded through general revenue dollars (about 74%) as well as by beneficiary premiums (about 23%), which differ for recipients depending on their chosen plan. Transfers from the general fund finance about three-quarters of SMI costs. Both the HI and SMI trust funds are maintained by the Treasury. Additionally, the Social Security Act created the Medicare Board of Trustees that oversees the trust funds and reports annually to Congress regarding the funds' financial sustainability and solvency standing.

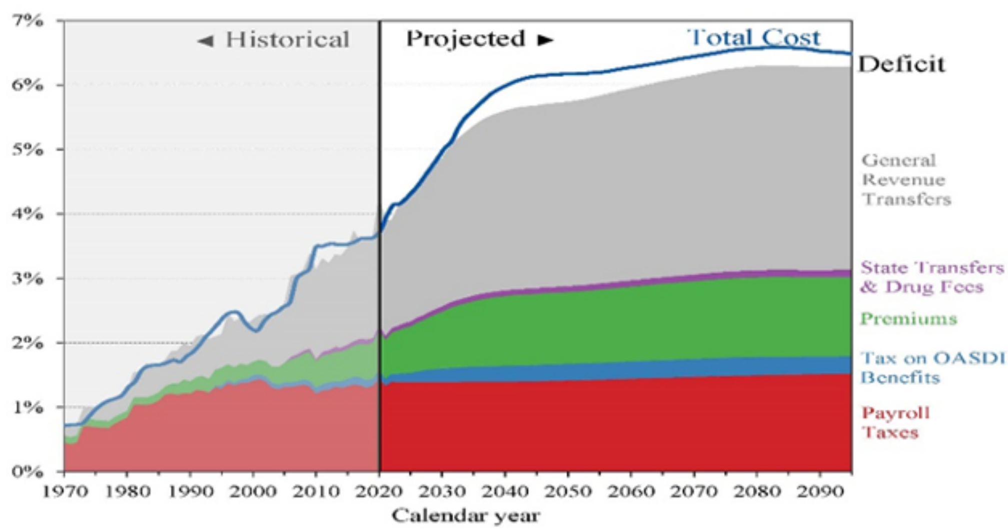
Scope of Our Medicare Spending Problem

Medicare makes up about a quarter of all mandatory spending, which goes directly to people or businesses and is mandated by law to be spent every year, no matter what. Medicare is only outspent by Social Security. Total Medicare spending in 2020 was $926 billion[52], $130 billion more than was spent in 2019 and about $90 billion more than was estimated to be spent in 2020 by the CBO. This total Medicare spending is predicted to reach $1.6 trillion by 2029 if no changes are made. Let that sink in, $1.6 TRILLION in one year for one program.

CBO and the Medicare trustees have recently projected that the HI trust fund will be insolvent by 2026 and will therefore only be able to pay scheduled benefits until then. At that time, the fund's reserves will become depleted and continuing total program income will be sufficient to pay 91% of total scheduled benefits.

In 2020 HI expenditures surpassed its revenue by $60.4 billion, primarily due to the large amount of accelerated and advance payments, in which providers get paid before they even render a service, required through the CARES Act passed in March 2020. In 2019 this number was $5.8 billion[53]. The HI trust fund has not met the trustees' formal test of short-range financial adequacy since 2003. It doesn't meet the long-range balance and is predicted to continue to grow substantially faster than the US GDP.

Since the Medicare Part B and D trust funds depends on general revenue dollars and premium payments, which can be reset each year to cover expected costs, it will remain solvent. But it will be solvent because of higher premiums on senior adults. Additionally its revenue will have to increase faster than the economy to cover expected expenditure growth as health care and prescription drug costs continue to rise, which also means debt will increase because more funds will be borrowed from the general fund and beneficiary prices will increase because services will rely more heavily on premiums.



Medicare Cost and Non-interest Income, by Source as a Percentage of GDP
Source: Summary of the 2021 Annual Reports of the Social Security and Medicare Boards of Trustees, Chart D, at https://www.ssa.gov/oact/trsum/

What Does The Future of Medicare Look Like?

As health costs in America continue to rise, Medicare spending, which ranges from hospital coverage to prescription drug coverage, rises along with it. Medicare-covered services and the number of Medicare beneficiaries continue to rise, which also contributes to a continual upward trend in Medicare spending since the program's inception[54]. While policy changes and program expansions play a part in Medicare's expenditure increases, the Medicare trustees primarily chalk up the increases to more beneficiaries and increasing health costs.

According to the US Census Bureau, "about 10,000 [Baby Boomers] a day have crossed that age threshold and by 2030, all boomers will be at least age 65," and are therefore eligible for Medicare[55]. In addition to the growing number of Medicare beneficiaries, health costs for all Americans also continue to rise. The National Health Expenditure (NHE), the total amount of money spent on health care in America, has steadily increased since 1960[56]. The NHE grew to $3.8 trillion in 2019, which surpassed 17% of the nation's GDP [57].

SOLUTIONS

While Congress has committed to continue coverage of the important and life-saving benefits that Medicare provides, the rates at which the program's spending grows is not sustainable. It must be noted that the Medicare spending problem did not appear overnight. Therefore, there is not one simple solution to this overspending problem. There are many possible solutions to address it that would be beneficial to both the federal government's finances and Medicare beneficiaries. Some solutions include overall decreased drug prices and medical cost transparency. I have worked on multiple solutions to decrease the price that not only Medicare pays for drugs, but also that seniors and Medicare beneficiaries will pay for drugs.

Transparency:
Generally nothing bad can come from increased transparency when it comes to your tax dollars and your health care costs. We have all experienced increasing health care and prescription drug costs over the years. Do we always know for what services we are paying exactly? Or why certain drugs cost so much? Medicare is the largest single payer of health care costs in the US, so it feels this change just as intensely as anyone else does. Therefore, many of my colleagues in Congress and I have called for increased transparency for both health care costs and prescription drug prices. The more people who can see itemized receipts of a primary care or hospital visit, the more clarity and accountability is provided.

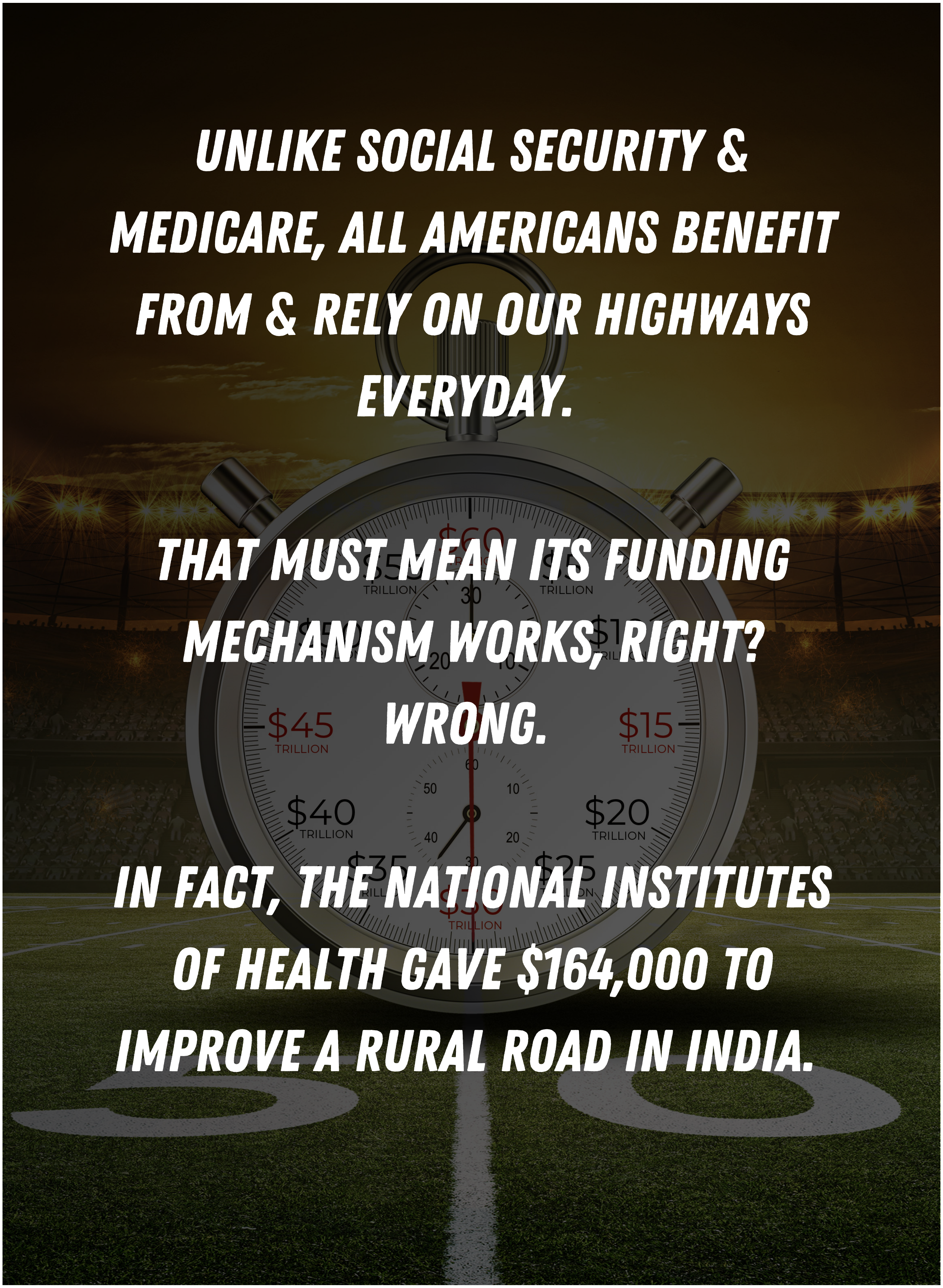
Increased Access:
Studies show that Medicare beneficiaries are more likely to be healthy and less likely to require burdensome and costly emergency care if they have regular access to preventative care[58]. Despite continued investment, 62 million Americans still do not have access to primary care, which is why I consistently support Community Health Centers or Federally Qualified Health Centers placed in rural communities that may not be able to support hospitals. Community Health Centers improve health outcomes while also lowering the costs of treating patients. Without meaningful access to primary care, many people delay seeking health care until they are seriously or chronically ill, often requiring admission to a hospital or much costlier care at an emergency room. Community Health Centers save over $1,200 per patient annually in total health care costs by coordinating and managing care, producing $24 billion in annual health system savings[59]. These savings are driven by fewer emergency room and hospital visits, as well as lower costs for specialists and other services.

Decrease Drug Prices:
Drug costs also play a huge role in skyrocketing health care prices. There are many steps in between your doctor prescribing you medication and you picking your prescription up at the pharmacy. Pharmacy Benefit Managers (PBMs) are third-party middlemen between drug manufacturers and pharmacies. They are meant to control the cost of drugs, but many times their practices actually increases the price and harms independent pharmacies, especially those in small or rural communities. They can charge the pharmacy fees for dispersing or not dispersing certain drugs, which can indirectly increase the price you pay at the pharmacy. I have called for PBM transparency and for a repeal of the use of the harmful fees placed on pharmacies.

Congress should do all it can to prioritize efficient use of Medicare Part D dollars to provide patients with the lowest cost option for their prescription. For example, Medicare should ensure that lower-cost drugs like generics and biosimilars are just as easily available and cost-effective as brand-name drugs[60]. For example, on October 18, 2018, President Trump signed two bills into law that repealed a "gag clause" preventing pharmacists from telling patients about the least expensive method of purchasing a prescription drug[61].

One way of doing that would be to restructure Part D plans' formulary tiers. Currently Part D plans are able to choose, mostly based on drug company rebates, which drugs are placed on certain "preferred" and "non preferred" tiers, which indicates how much a beneficiary pays for a copay, despite whether a drug is actually less expensive or not. Tiers are supposed to be separated by drug type, generics and brand-name drugs, but they often are not. A solution could include requiring lower-cost generic drugs to be on generic-only tiers and higher-cost brand drugs to be on brand tiers, which could save $4 billion annually. Sometimes lower-cost generics are not even covered at all by Part D. Requiring coverage of lower-cost drugs could also encourage savings to Medicare and to beneficiaries.

Fraud Prevention:
Centers for Medicare and Medicaid Services (CMS) is obligated by a number of laws to prevent a wide range of possible fraudulent activities and the agency has many practices in place to prevent fraud and abuse[62]. There are many internal and external audits to ensure payments made from CMS to physicians and beneficiaries are accurate. I remain committed to the continuation of staunch oversight to ensure program integrity.



UNLIKE SOCIAL SECURITY & MEDICARE, ALL AMERICANS BENEFIT FROM & RELY ON OUR HIGHWAYS EVERYDAY.

THAT MUST MEAN ITS FUNDING MECHANISM WORKS, RIGHT? WRONG.

IN FACT, THE NATIONAL INSTITUTES OF HEALTH GAVE $164,000 TO IMPROVE A RURAL ROAD IN INDIA.

HIGHWAY TRUST FUND (HTF)

Just over 100 years ago in 1919, the man who would become the father of the interstate system, Lieutenant Colonel and future President Dwight D. Eisenhower, participated in the Army's first transcontinental motor convoy. The convoy was to travel from Washington, DC, to San Francisco, CA, in order to test the military's mobility during wartime conditions. It took the 81 military vehicle convoy 62 days to travel the 3,251 miles connecting the two cities. Eisenhower would later write that at the beginning of the trip, they "were not sure it could be accomplished at all. Nothing of the sort had ever been attempted[63]."

Even though this expedition highlighted a connectivity problem many already knew was there, it would be nearly 20 years for Congress to direct the Bureau of Public Roads (BPR), the precursor to the US Department of Transportation, to look into the viability of a six-route toll network that would connect the nation[64]. Another 13 years after that, Congress began providing funding for states to construct the network imagined years earlier. In 1952 dollars, Congress provided $25 million out of the government's general fund and required a 50-50 state match[65].

That wasn't satisfactory for President Eisenhower, so he pulled together an advisory committee charged with finding a sustainable way to fund the system without accruing debt. While the advisory committee's proposal ultimately died in Congress, it became the baseline for the next proposal: a raise of the existing 2-cent gas tax to 3 cents, deposited in a new "highway trust fund," and apportioned the accrued funds in line with a formula to states to construct and connect the system.

This proposal designed by Senator Albert Gore, Sr., and Representative Hale Boggs became the Federal-Aid Highway Act of 1956 and was signed into law by President Eisenhower in June 1956, 37 years after President Eisenhower's transcontinental motor convoy[66].

Almost 70 years later, the federal-aid highway system has grown to include nearly one million miles of roads[67], and the basic system of funding through a dedicated fuel user fee deposited into the HTF has remained largely unchanged. For decades this system worked. Roads were funded without adding to our nation's debt, and Congress periodically raised the gas tax[68] to adjust for inflation and the growing needs of the system. Over this time Lt. Col. Eisenhower's 62 day journey in 1919 became possible to complete in a mere 41 hours, even less for some drivers.

The last 13 years have seen this once-strong financing system experience funding shortfalls, which Congress has filled with general fund transfers "paid for" by budget gimmicks that only add more debt. These shortfalls are only expected to grow in the future. Without action we will jeopardize the foundation of a system specifically designed to enable investment in critical infrastructure while preventing accumulation of debt that would be shouldered by each generation's children and grandchildren. Roads and transportation are supposed to increase economic activity, not destroy our economic future.

What Does This Cost?

For many years highway spending grew, but the trust fund revenue grew more quickly due to a combination of increases in motor fuel consumption and increases in the gas tax[69]. It was not until 2001 that highway spending growth started outpacing the funds coming in, and in 2008 Congress had to start providing additional funding from other sources just to keep the program breaking even[70]. Unfortunately these transfers cannot be described as "a little here and a little there." The first transfer in 2008 amounted to $8 billion. When Congress authorized highway programs in 2015, it authorized a whopping $70 billion in transfers over the five-year life of the bill. Between 2008 and 2020, Congress authorized transfers to the highway fund totaling $143.6 billion, mostly from the general fund—an amount equal to roughly 22% of total HTF spending over that time[71]. This is a stark contrast to only decades earlier when the trust fund was running surpluses.

Unfortunately this challenge has only gotten worse over the past year. Most recently in the fall of 2021, Congress passed (but I opposed) and the President signed the Infrastructure Investment and Jobs Act. This bill includes $1.2 trillion in spending over 10 years, $273 billion of which is for a 5-year extension of the federal-aid highway program. In passing this bill, Congress missed another opportunity to fix the highway trust fund.

This bill included a whopping $118 billion of new debt to the HTF to keep it solvent through the 5-year span of the bill[72].

Projected Highway Trust Fund deficits, FY2021-FY2026

Fiscal Year	Trust Fund Revenue	Trust Fund Outlays	Shortfall
2021	$43.39 billion	$58.21 billion	-$14.81 billion
2022	$43.07 billion	$59.13 billion	-$16.07 billion
2023	$42.84 billion	$60.37 billion	-$17.53 billion
2024	$42.63 billion	$61.43 billion	-$18.79 billion
2025	$42.40 billion	$62.99 billion	-$20.59 billion
2026	$42.26 billion	$64.17 billion	-$21.91 billion
6-year FY2021-FY2026 total	$256.59 billion	$366.30 billion	-$109.71 billion
6-year FY2021-FY2026 average	$42.77 billion	$61.05 billion	-$18.28 billion

Source: adapted from CRS's report "Funding and Financing Highways and Public Transportation" https://www.crs.gov/Reports/R45350

Factors contributing to HTF shortfall

A variety of factors is driving this shortfall. Prior to the last two and a half decades, the gas tax had been periodically raised, which had the practical effect of addressing any erosion in its purchasing power due to inflation. However, the funding mechanism has not been increased since 1993, and it is not pegged to the cost of living. Although Congress has not adjusted the user fee since 1993, it has raised the amount of money spent on highways and transit each time it reauthorized these programs.

In 1993 the average fuel efficiency for your everyday family car was 19.2 miles per gallon. By 2019 that average was up to 22.2 miles per gallon[73]. Increases in fuel economy enable travelers to go farther while paying the same user fee, and as a result drivers don't pay for as much roadwork for each mile they travel as they used to. Additionally over the last decade electric vehicles (EVs) have become a larger share of vehicles on the roads, though still less than 3% of the vehicles on the road. Some states have instituted EV user fees so they do not get a free ride, but at the federal level, EV users are not required to contribute to the highway fund.

Gimmicks to "Pay For" the HTF shortfall

If you're able to spend beyond your means or print money like the federal government, you might look to cut spending in one area to spend more in another. Congress, to its credit, at least theoretically agreed that offsets should be provided. When it authorized the $70 billion transfer in 2015, it also provided what it said was $70 billion in new revenue or spending cuts. However, the provision that made up the bulk of the offset for the transfer was "paid for" by a budget gimmick involving the Federal Reserve's ("the Fed") surplus account. This provision capped the surplus account at $10 billion and moved the excess funds over to the general fund to offset the general fund transfer to the HTF. On paper this series of moves "raised" $33 billion over five years.

Almost worse than these fake payfors that Congress tries to pass off as legitimate is the fact that Congress is actually no longer required to even try to offset these general fund transfers. At the beginning of the 116th Congress, the then-new Democratic House majority repealed a House Republican implemented rule that required transfers from the general fund to the HTF to be offset[73]. This rule served as a critical check on raising spending since even the fake payfors can be difficult to come by. With the last vestige of spending limits gone, the floodgates are now truly open to unlimited debt financing of this important program.

Offsets for transfers from the general fund to the HTF 2012–2015*

	Amount of estimated savings over 10 years	Explanation
Moving Ahead for Progress in the 21st Century (MAP-21); PL 112-141[75] July 6, 2021**		
Pension interest rate stabilization ("pension smoothing"	$9.467b	Provision allows businesses to pay less into pension funds now, resulting in more taxable income. This business liability does not go away, it is simply deferred until a later date, at which point taxable income, and therefore tax revenue, will decline. This is a gimmick that changes when revenue is collected, not how much revenue is collected.
Changes Pension Benefit Guarantee Corporation (PBGC) premiums	$11.495b	The Pension Benefit Guarantee Corporation (PBGC) serves as a backstop for private sector defined benefit pension plans. Employers sponsoring those plans must pay premiums into the PBGC. MAP-21 raised company premiums for their pension protection and diverted them to offset unrelated spending.
The Highway and Transportation Funding Act of 2014 (MAP-21 2014 extension); PL 113-159[76] August 8, 2014		
Pension interest rate stabilization ("pension smoothing"	$6.39b	Extended the pension smoothing provision from MAP-21. See above.
Extension of Customs user fees	$3.54b	Extended Customs user fees, which are collected from passengers when they import goods into the US. These fees had been slated to expire.
The Surface Transportation and Veterans Health Care Choice Improvement Act		

of 2015 (MAP-21 2015 extension); PL 114-41[77,78]		
Extension of special budget treatment of Transportation Security (TSA) fees	$3b	Prior to this extension, collection of TSA security fees in 2024 and 2025 was slated to be subject to appropriations. This extension allows TSA to collect fees in those years without further appropriation, reclassifying the revenue as offsetting receipts. This move allowed the revenue to be used to offset highway spending, despite little meaningful change in revenue. TSA collects security fees during the sale of airline tickets to offset the cost of aviation security.
Modification to mortgage information that must be reported to IRS	$1.81b	Previous law required lenders to provide the IRS with some information about each borrower. This provision required lenders to provide additional information, including the origination date of the mortgage, the amount of outstanding principal at the end of a calendar year, and the property's address, which would reduce inaccurate reporting. There is no way to know if these changes on reporting will actually increase revenue by $1.8b.
Clarification of application of six-year rule	$1.21b	The provision clarified that the six-year rule for reassessing taxpayers who understate income applies to instances where a taxpayer overstated the cost of a piece of property, reducing their income for taxation purposes. Generally, the statute of limitations for the IRS to review income tax returns is three years, however this provision extends the timeframe to six years specifically in the event a taxpayer overstates the cost of covered property.
Fixing America's Surface Transportation (FAST) Act; PL 114-94[79] **December 4, 2015**		
Transfer and limit of Federal Reserve Surplus Fund	$53.3b	Budget gimmick that moves money from the Fed's Surplus Fund to the HTF to offset highway spending. Shuffling funds in this manner does not in reality reduce the deficit. See [above/below] for detailed explanation.
Reduction to the dividend rate paid by Federal Reserve to member banks	$6.9b	Banks in the Federal Reserve system are required to buy stock that may not be traded from the regional Fed. This stock pays a set dividend. The 2015 highway bill lowered the rate for large institutions,

Sales from the Strategic Petroleum Reserve (SPR)	$6.2b	Provision called for the sale of oil from the SPR can result in new revenue. Selling oil from our reserves does raise real money, but it also hurts our national security since we are gambling that we will not need these reserves in the future. Since the price of oil can fluctuate significantly, the assumptions. Since the price of oil can fluctuate significantly, the assumptions made about the future price of oil are key to whether the payfor lives up to expectations. The FAST Act assumed a per barrel price of $94 in 2023, a prediction that is a total guess. There is also debate around whether the SPR, a program set up to shield Americans from disruptions in the oil markets, should be used to pay for other programs rather than used in accordance with its own program goals.
Increase Customs user fees for inflation	$5.1b	Customs user fees are typically used to support Customs and Border Protection (CBP) inspection functions. This provision raises those fees and diverts the resulting revenue to the HTF. This diversion weakens the integrity of the user fee as now Customs fees are not supporting border security.

**The "Ryan rule", named after former House Budget Committee Chairman, Paul Ryan (WI) required that transfers from the general fund to the HTF be offset. The Ryan rule was in effect over 2011-2018, so only transfers authorized in that time period required budgetary offsets[1].*

***The Moving Ahead for Progress for the 21st Century Act included unrelated policy provisions. Payfors listed cover the entire cost of the bill, not just the highway-related provisions.*

In addition to the fiscal issues these transfers raise, an important policy issue is also raised. With each general fund transfer, the critical link between the user fee and the benefit it generates to users in the form of infrastructure spending is weakened. The HTF's $14 billion shortfall in 2021 is expected to grow to nearly $22 billion by 2026 and continue expanding from there.[2]

General fund transfers provide a temporary bandage to a serious problem. The federal highway system was designed to be built and paid for by users. Instead, over time we've acquired a system that spends more than it takes in and there's no real effort to get to the root cause of the issue and ensure roads and bridges are sustainable, in good working order, and serving those they need to serve.

SOLUTIONS

Roads don't build themselves; they take money and time. So who should pay for the roads and how much time should they take to build? For more than 50 years of our highway system, federal and state gas taxes covered construction and repair of the roads. But for the last 15 years, the gas tax has not covered the cost of construction, and the federal government continues to add new requirements on construction and new things to construct. That is a classic debt formula.

So who pays for road construction: a federal taxpayer, a state taxpayer, or a local taxpayer? An interstate highway seems like a reasonable federal expense, but what about a street in your neighborhood or a county road? How about a streetcar in San Francisco or a city bus in Kansas City? Should they be a federal expense or a local expense?

Right now just about every city, county and state leader wants federal money to pay for their local roads since all roads lead to Washington, DC, right? With $30 trillion in federal debt, it is long past time to stop spending federal money on local roads. The federal government needs to partner with state and local governments to transition responsibility back to local authorities.

So I ask again, how do you fix this? Lots of people just want free roads, but we all know, life is not free. At least we used to know that. The options are pretty obvious. Which would you choose?

1. Build fewer roads and bridges / repair less

This puts the trust fund in balance, but it makes our federal infrastructure less safe, less efficient and less maintained. But, it's an option, just not a good option. It is an option to stop spending federal tax dollars on local projects. If state and local governments paid for local projects, it would mean more federal tax dollars going to more federal projects.

2. Make construction less expensive

More regulations and requirements do not always bring more results. Giving states the responsibility to approve projects without asking permission from the federal government, allowing all the permitting for a project at the same time and speeding up the appeal and approval process all saves time and money. You can either spend more and more money to build a mile of road, or you can find out how to make construction less expensive and faster. When you spend less money on paperwork and more money on roads, everyone is happy (except the guy who loves paperwork and regulations).

3. Borrow more money and add it to the national debt.

Obviously this can be done, because it has been done for years. But we all know that piling up debt cannot last forever. Putting gimmicks into legislation to trick the congressional "scorekeepers" that it is not more debt but knowing that in real life it is just more debt does not solve the problem. Transfers from the general fund (that also does not have any money) or other gimmicks make a vote in Congress sound better, but it makes our national debt much worse.

4. Move the federal gas tax to the states.

The federal government is now playing the middle man, collecting gas tax and then sending it to the states to distribute as they choose. We could just cut the middle man and let the states increase their gas tax to the old federal level, then the states approve the projects without federal intrusion. It is cheaper and faster. The lesson is obvious: if the federal government is involved, it takes longer, costs more, and gets you less highway. If states can control the construction, you get more highway for less money faster.

5. Build more toll roads or get more private investment into roads.

Obviously we know how to build toll roads in Oklahoma. Toll roads are the ultimate way to make the people who drive on the road pay for the road. But not every road in America should be a toll road. Leasing roadways to private investors gets new money into projects, but there is also a small number of places and roads that private investors would even be interested in.

6. Make everyone who drives our roads, pay for our roads.

Right now that pricey Tesla gets to drive the roads for free because gas-powered vehicles pay a tax for the road, but EVs do not. On average drivers pay a little less than $200 a year in gas tax. What if EV drivers paid a flat tax on their IRS filing each April 15 on their state or federal taxes to help cover the cost of the road? That way the person driving the 1999 Ford F-150 and the person driving the 2021 Tesla both pay for the road they drive on.

7. Increase the gas tax to the level required to pay for the roads.

You can collect gas tax at the pump or it could be paid at the wholesale location. But either way it would be a price per gallon of fuel to pay for the road you drive on. Some have also proposed a vehicle-miles-traveled tax (track your mileage, report your miles to Uncle Sam and then pay a tax per mile). Put me down as strongly opposed to the vehicle miles traveled tax.

8. Limit what the gas tax dollars can be used for.

You would think gas tax dollars go to highways and bridges, but you would only be partially right. Highways and bridges are built with gas tax dollars, but so are bike paths, walking trails, sidewalks, buses, passenger rail, roadside art projects, and much more. I wish I was kidding. In fact, the Biden Administration recently released its guidelines to get federal transportation grants and it stated that the dollars they give out will be prioritized for "non-motorized transportation" (bikes, walking, scooters, horseback riding, etc.) and repairing existing lanes/roads, instead of expanding new lanes or roads. So priority goes to new stripes and pavement on an old road, not adding new lanes to reduce traffic congestion.

9. Add new taxes on cotton candy and corn dogs at the state fair.

Just kidding. But some want to create new taxes on things that are not related to transportation at all to pay for transportation. Some even philosophically believe that gas taxes are mean because they are tougher for someone with a lower income to pay. So they propose little or no gas tax and "make the rich pay for everything." While the tech billionaires of our day could pay more in taxes, when every person who drives a road also helps pay for that road, we are all responsible for the road.

10. Your option. A combination of several of these or another option you create.

Since we are billions of dollars out of balance, we need to resolve this issue quickly and most likely with several options. The longer we wait, the more debt we accrue and the more our infrastructure suffers.

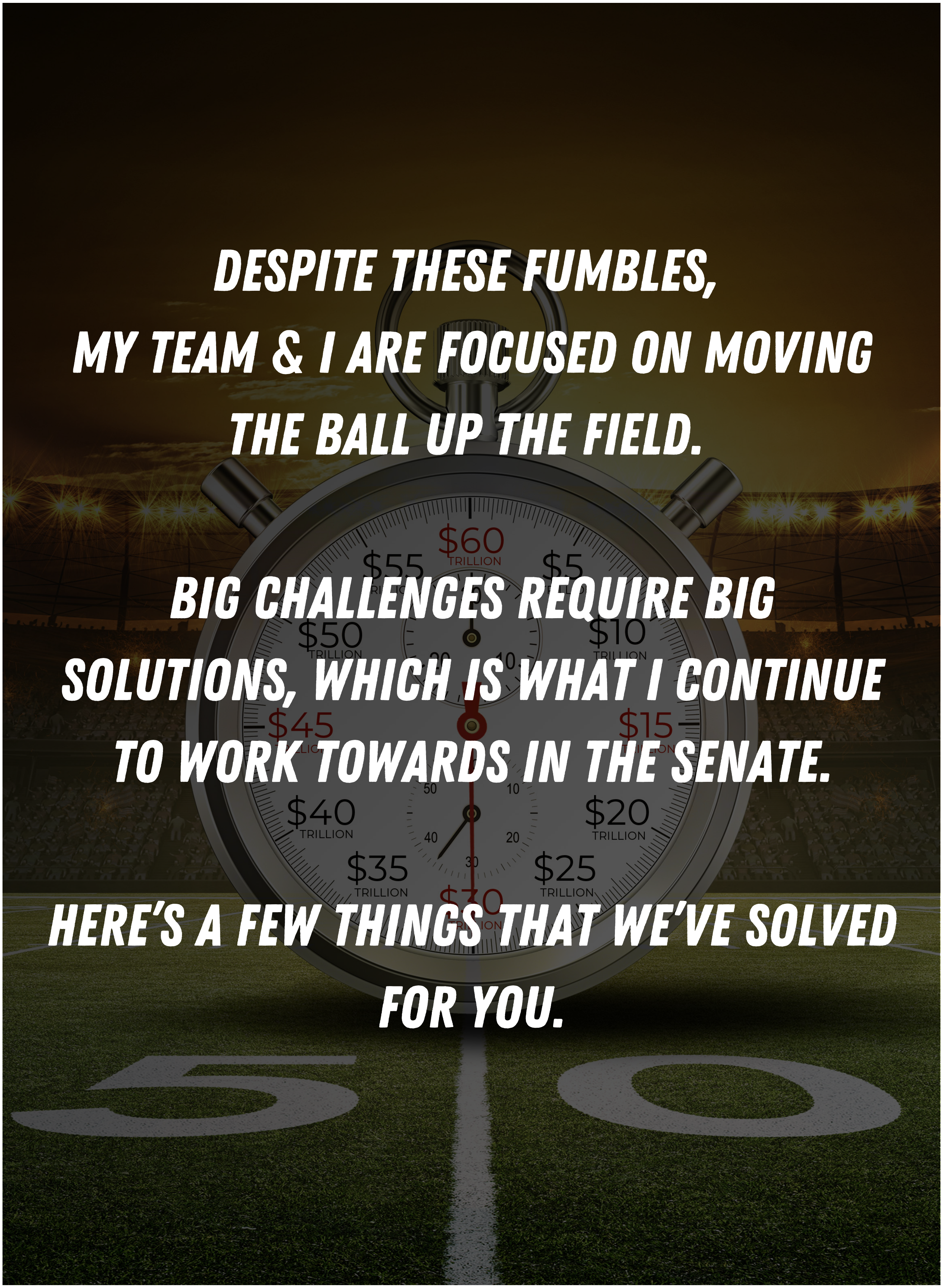
We also must look to the spending side for solutions. Congress takes it as a given that each time we reauthorize our highway programs we provide significant increases in funding. While a lot of our highway spending goes to fundamental projects we truly depend on, every dollar spent is not equal in significance. We could take some of the money we are spending now on projects that are not regional or national in significance, like streetcar projects, and direct those dollars instead to higher-priority national projects. Cutting back spending that is more appropriately handled at the local and state level or that is not really "core infrastructure" will not solve the whole problem. But with over $30 trillion in national debt, we simply do not have the luxury of funding projects that are outside the scope of the federal government's role in infrastructure.

BIDEN'$ INFRA$TRUCTURE BILL

Unfortunately in the recently passed Infrastructure Investment and Jobs Act, Congress once again missed an opportunity to become more disciplined in spending taxpayer dollars only on projects that are truly necessary and federal in scope. The bill included $1 billion out of the general fund to provide grants for sidewalk and bike infrastructure[82]. This infrastructure is not regional or federal in nature and is best supported by local communities. Additionally, the bill includes $2.5 billion for EV charging infrastructure, which is best left to the private sector[83].

It was not enough to create two programs that should not be funded with federal taxpayer resources. Congress included in this bill a third program that provided billions in federal-aid highway dollars for a program aimed at reducing transportation-related carbon emissions. This new $6.42 billion program may also be used for pedestrian infrastructure and EV charging stations[84], even though the bill included two stand-alone programs aimed at funding these items. Ultimately not only did this bill provide funding for infrastructure best left to local governments or the private sector, it somehow created duplicative programs aimed at these extraneous objectives.

In addition to spending dollars on only federal projects, we should also spend our infrastructure dollars as efficiently as possible to avoid waste. Each highway project that receives federal funding must undergo a series of reviews from environmental assessments to historic preservation consultations in addition to reviews required by states and localities. This process involves a multitude of federal agencies and can drag out for months or even years. Congress must find a way to cut down on the delays and money wasted on unnecessary bureaucracy by eliminating duplicative reviews and improving coordination between both federal and state agencies.



**DESPITE THESE FUMBLES,
MY TEAM & I ARE FOCUSED ON MOVING
THE BALL UP THE FIELD.**

**BIG CHALLENGES REQUIRE BIG
SOLUTIONS, WHICH IS WHAT I CONTINUE
TO WORK TOWARDS IN THE SENATE.**

**HERE'S A FEW THINGS THAT WE'VE SOLVED
FOR YOU.**

FORWARD PROGRESS

Our nation has exceptionally difficult problems to solve in the days ahead. Despite these great challenges, we have moved the ball forward. Change does not come overnight, but improvement is made every day.

Whether the action was my Taxpayers Right-to-Know Act becoming law, protecting your job by opposing every aspect of Biden's vaccine mandates, and authoring the Stop Vaccine Mandates Act, my team and I work to solve the government's countless fumbles every day.

Protecting your tax dollars

This Has Never Been Done Before
It is difficult to protect tax dollars if we don't know where they're going or how they're being spent. Long-time readers of *Federal Fumbles* know that my bill, the Taxpayers Right-to-Know Act, will solve that problem. After years of negotiations in Congress, my bill became law in January 2021.

The law creates a functional federal program inventory that will serve as the first comprehensive tool for oversight of federal spending. Because of my bill, the public and lawmakers alike will have access to greater transparency of duplication, inefficiency, and waste.

Currently taxpayers and lawmakers have not been able to see duplication or inefficiency in government spending because federal agencies were not required to release details of their programs in a way that could be easily searched and identified. That all changes with the Taxpayers Right-to-Know Act becoming law.

My team and I are working closely behind the scenes to make sure this program is created as we intended. While it will take some time to create and implement a program of such magnitude, we will soon have unprecedented access to the way the government spends our tax dollars.

Protecting Your Paycheck and Tax Dollars
My team and I will continue our work to ensure your paycheck is protected from the Biden Administration's efforts to control more of it. Specifically, I worked to make sure you and your family are was not forced to choose between a paycheck and making your own health decisions by introducing the Stop Vaccine Mandates Act. My bill repeals Biden's Executive Order that forced vaccines for federal employees and federal contractors.

I also worked to make sure you have more control of your paycheck by introducing the Universal Giving Pandemic Response and Recovery Act, which ensures that those who choose to donate to charities, houses of worship, religious organization, and other nonprofits are able to deduct more than the allowed $300 level from their federal taxes. In addition, I introduced the Don't Weaponize the IRS Act, which reinstates a rule that President Trump put in place to stop the IRS from targeting certain tax-exempt groups, based on their political beliefs. The Democrats are attempting to repeal this rule, which would allow the IRS to discriminate against groups due to their political beliefs.

Defunding Abortion

During Biden's first year in office, I fought to protect our tax dollars from being used to fund abortions. My amendment to the Democrats' $3.5 trillion spending spree for FY22 prohibited the use of those taxpayer dollars from funding abortions and abortion-related discrimination. I am tremendously grateful that my amendment to save the long-standing Hyde amendment was adopted in a 50-49 vote.

Protecting the Southern Border

As the lead Republican on the Government Operations and Border Management Subcommittee, I uncovered blistering news last year that proved the Biden Administration spent $2 billion to babysit the border wall's construction materials. Instead of building the wall, contractors were paid over $2 billion to watch the materials collect dust. Even worse, since last year was the highest year for illegal immigration ever, we spent $2 billion protecting steel instead of protecting our border.

I also protected our tax dollars from being used to issue $450,000 checks to undocumented individuals who crossed the border and then were separated from their families during the Trump Administration. After hearing about it in late 2021, I introduced a bill that would prohibit it from happening. I was glad to see that by the end of 2021, the Biden Administration had dropped its plans for "settlement payments."

Build Back "Broke"

And of course I fought against the $3.5 trillion Build Back "Broke" bill that Democrats claimed would actually save us money, despite expert analysis from leading economists coupled with a healthy dose of general common sense. Preventing this massive bill that would spend trillions of dollars radically changing our economy and our government from becoming law took months of opposition from me and my colleagues.

I exposed the truth about this bill in hearings, on the Senate floor, in press conferences, and in public editorials. I pointed out that the bill would decrease access to child care, raise prices of child care for millions of families, and raise energy prices more than they have already increased.

Due to these efforts, Democrats did not have the support they needed to ram this through the Senate. As a result the bill was not able to become law. I will remain vigilant in speaking out against these progressive policies that would transform our country and economy as we know it.

That is why I publish *Federal Fumbles*: to expose how the government has dropped the ball and to highlight waste, fraud, and abuse along the way. The Build Back "Broke" plan is the definition of a federal fumble.

I will continue the work in the days ahead to recover the ball for our country to allow all Americans to prosper. While the challenges we face are great, and solutions often seem out of reach, the opportunity for us to succeed in this country far outweighs its struggles. I will continue to fight for you and all families to succeed by cutting red tape, exposing problems, and offering solutions that advance ideas to move our country forward.

ENDNOTES

1. “Daily Treasury Statement, Monday, January 31, 2022”. Bureau of the Fiscal Service. https://fsapps.fiscal.treasury.gov/dts/files/22013100.pdf
2. “An Update to the Budget and Economic Outlook: 2019 to 2029”. Congressional Budget Office. August 2019. https://www.cbo.gov/system/files/2019-08/55551-CBO-outlook-update_0.pdf
3. “Historical Debt Outstanding – Annual 2000 – 2021”. Treasury Direct. https://www.treasurydirect.gov/govt/reports/pd/histdebt/histdebt_histo5.htm
4. Internal information given to the Office of Senator James Lankford
5. “President Biden is Wasting Billions by Not Building the Border Wall, Interim Minority Staff Report”. United States Senate Subcommittee on Government Operations and Border Management. https://www.lankford.senate.gov/imo/media/doc/GOBM%20Interim%20Report%20on%20Border%20Wall.pdf
6. “Breakdown of the Federal Government’s Debt”. USAspending.gov. https://datalab.usaspending.gov/americas-finance-guide/debt/analysis/
7. Ibid.
8. Ibid.
9. “Federal Spending by Category and Agency”. USAspending.gov. https://datalab.usaspending.gov/americas-finance-guide/spending/categories/
10. Ibid.
11. “Q&A: Everything You Should Know About the Debt Ceiling”. Committee for a Responsible Federal Budget. 2021 July 28. https://www.crfb.org/papers/qa-everything-you-should-know-about-debt-ceiling
12. Yellen, Janet. Department of the Treasury. 2021 October 18. https://home.treasury.gov/system/files/136/Debt-Limit-Letter-Congress-20211018-Pelosi.pdf
13. Pandemic Oversight. “Steelcase”. https://www.pandemicoversight.gov/data-interactive-tools/interactive-dashboards/pandemic-response-funding
14. Pandemic Oversight. “Islands Mechanical Contractor”. https://www.pandemicoversight.gov/data-interactive-tools/interactive-dashboards/pandemic-response-funding
15. Pandemic Oversight. “RQ-AECOM JV”. https://www.pandemicoversight.gov/data-interactive-tools/interactive-dashboards/pandemic-response-funding
16. Pandemic Oversight. FA558720F0151. https://www.pandemicoversight.gov/data-interactive-tools/interactive-map
17. Pandemic Oversight. W91QV120P0084. https://www.pandemicoversight.gov/data-interactive-tools/interactive-map
18. “A Causal Analysis of the Complex Mental Health Impacts of the Climate Crisis in Young People”. 1R15ES033817-01. National Institutes of Health. https://reporter.nih.gov/search/G0OG_3t9kUa30-ttDFY4NA/project-details/10359497
19. “Establishing a research program in India focused on evaluating safety of rural roads and highways”. 5R21TW010823-02. National Institutes of Health. https://reporter.nih.gov/search/yHuXxmYYrEONpDd8AiYXrQ/project-details/9986921
20. “Sun Safety Ink! A Sun Safety Program for the Tattoo Community”. 5R01CA206569-04. National Institutes of Health. https://reporter.nih.gov/search/dY6TsNPYgUK6WTM1iQjoNA/project-details/984136

ENDNOTES

21. “A social media game to increase physical activity among older adult women”. 5R01AG064092-03. National Institutes of Health. https://reporter.nih.gov/search/mpqsDXvkpEOJeFH23uDFSw/project-details/10221584
22. “Recent Grant Search” National Endowment for the Arts. https://apps.nea.gov/grantsearch/
23. “Recent Grant Search” Blair Thomas & Company, 1862890-32-20. National Endowment for the Arts. https://apps.nea.gov/grantsearch/
24. “Recent Grant Search” Philadelphia Dance Projects, 1864626-33-21. National Endowment for the Arts. https://apps.nea.gov/grantsearch/
25. “Recent Grant Search” Victory Hall Opera, 1884144-36-21. National Endowment for the Arts. https://apps.nea.gov/grantsearch/
26. “Landscape and Politics in the Writings of Russian Film Director and Theorist Sergei Eisenstein (1898-1948)”. FEL-268126-20. National Endowment for the Humanities. https://securegrants.neh.gov/publicquery/main.aspx?f=1&gn=FEL-268126-20
27. “Russian Filmmaker Evgenii Bauer (1865-1917): Cinema and Genealogies of the Built Environment in Modern Russia”. FEL-268066-20. National Endowment for the Humanities. https://securegrants.neh.gov/publicquery/main.aspx?f=1&gn=FEL-268066-20
28. “China Health and Retirement Longitudinal study”. 5R01AG037031-11. National Institutes of Health. https://reporter.nih.gov/search/44zEvG-4WkG096WSW6Xi3w/project-details/10183087
29. “Public Health Epidemiology of Influenza Virus Infection and Control in China”. 5U01IP001106-04. National Institutes of Health. https://reporter.nih.gov/search/44zEvG-4WkG096WSW6Xi3w/project-details/10247433
30. “Cultural Adaptation and Evaluation of Health Interventions for Smoking Cessation in China and Vietnam” 5R01TW010666-05. National Institutes of Health. https://reporter.nih.gov/search/dVamQ1P5zkiBvdPMDPxdsw/project-details/10140439
31. “From China to the U.S.S.R.: The Return of the "True" Russians”. FEL-272979-21. National Endowment for the Humanities. https://securegrants.neh.gov/publicquery/main.aspx?f=1&gn=FEL-272979-21
32. “Final Monthly Treasury Statement, Receipts and Outlays of the United States Government, For Fiscal Year 2021 Through September 30, 2021, and Other Periods”. Bureau of the Fiscal Service. https://www.fiscal.treasury.gov/files/reports-statements/mts/mts0921.pdf
33. “Federal Net Interest Costs: A Primer”. Congressional Budget Office. December 2020. https://www.cbo.gov/system/files/2020-12/56780-Net-Interest-Primer.pdf
34. “The Budget and Economic Outlook: 2021 to 2031”. Congressional Budget Office. February 2021. https://www.cbo.gov/system/files/2021-02/56970-Outlook.pdf
35. “The 2021 Long-Term Budget Outlook”. Congressional Budget Office. March 2021. https://www.cbo.gov/system/files/2021-03/56977-LTBO-2021.pdf
36. Labonte, Marc and Nagel, Jared C. “Foreign Holdings of Federal Debt”. Congressional Research Service. 2021 July 9. https://www.crs.gov/Reports/RS22331?source=search&guid=c89b150f61b4417c9ef1011f6d95a346&index=1
37. Ibid.
38. “Daily Treasury Statement, Monday, January 31, 2022”. Bureau of the Fiscal Service. https://fsapps.fiscal.treasury.gov/dts/files/22013100.pdf
39. “The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds”. The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds. 2021 August 31. https://www.ssa.gov/OACT/TR/2021/tr2021.pdf

ENDNOTES

40. "The 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds". The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds. 2021 August 31. https://www.ssa.gov/OACT/TR/2021/tr2021.pdf
41. Huston, Barry F. "Social Security Primer". Congressional Research Service. 2021 September
15. https://crsreports.congress.gov/product/pdf/R/R42035
42. Huston, Barry F. "Social Security Overview". Congressional Research Service. 2021 September 3. https://crsreports.congress.gov/product/pdf/IF/IF10426
43. Ibid.
44. "Analysis of the 2021 Social Security Trustees' Report". Committee for a Responsible Federal Budget. 2021 August 31. https://www.crfb.org/papers/analysis-2021-social-security-trustees-report
45. See https://www.justice.gov/opa/pr/fugitive-lawyer-involved-largest-social-security-fraud-scheme-sentenced-15-years-prison-his
46. See https://www.hsgac.senate.gov/imo/media/doc/REPORT%20Conn%20case%20history%20report-final%20%20(10-7-13).pdf
47. "The Social Security Reformer", Committee for a Responsible Federal Budget. https://www.crfb.org/socialsecurityreformer/
48. Ibid.
49. Ibid.
50. "Improving and Modernizing Federal Disability Programs". Government Accountability Office. https://www.gao.gov/highrisk/improving-and-modernizing-federal-disability-programs
51. "Topic No. 751 Social Security and Medicare Withholding Rates". Internal Revenue Service. https://www.irs.gov/taxtopics/tc751
52. "2021 Annual Report of the Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds". The Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. 2021 August 31. https://www.cms.gov/files/document/2021-medicare-trustees-report.pdf
53. "A Summary of the 2021 Annual Reports". Social Security and Medicare Boards of Trustees. https://www.ssa.gov/oact/trsum/
54. "CMS' Program History". Centers for Medicare and Medicaid Services. https://www.cms.gov/About-CMS/Agency-Information/History
55. America Counts Staff. "2020 Census Will Help Policymakers Prepare for the Incoming Wave of Aging Boomers". Census Bureau. 2019 December 10. https://www.census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or older.html#:~:text=Born%20after%20World%20War%20II,be%20at%20least%20age%2065.
56. "2021 Annual Report of the Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds". The Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. 2021 August 31. https://www.cms.gov/files/document/2021-medicare-trustees-report.pdf
57. "NHE Fact Sheet". Centers for Medicare and Medicaid Services. https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NHE-Fact-Sheet
58. "Health Insurance and Access to Care". Centers for Disease Control and Prevention. February 2017. https://www.cdc.gov/nchs/data/factsheets/factsheet_hiac.pdf

ENDNOTES

59. “Community Health Center Chartbook 2020”. National Association of Community Health Centers. 2020. https://www.nachc.org/wp-content/uploads/2020/01/Chartbook-2020-Final.pdf
60. “Generic Drug Facts”. U.S. Food and Drug Administration. 2021 November 11. https://www.fda.gov/drugs/generic-drugs/generic-drug-facts
61. “Remarks by President Trump at Signing of S. 2553, Know the Lowest Price Act, and S. 2554, Patient Right to Know Drug Price Act”. The White House. 2018 October 10. https://trumpwhitehouse.archives.gov/briefings-statements/remarks-president-trump-signing-s-2553-know-lowest-price-act-s-2554-patient-right-know-drug-price-act/
62. “Medicare Fraud and Abuse: Prevent, Detect, Report”. Centers for Medicare and Medicaid Services. 2021 January. https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Fraud-Abuse-MLN4649244.pdf
63. Klein, Christopher. “The Epic Road Trip That Inspired the Interstate Highway System”. History. 2020 May 27. https://www.history.com/news/the-epic-road-trip-that-inspired-the-interstate-highway-system
64. Weingroff, Richard F. “Federal-Aid Highway Act of 1956: Creating The Interstate System”. Federal Highway Administration. Summer 1996. https://www.fhwa.dot.gov/publications/publicroads/96summer/p96su10.cfm
65. Ibid.
66. “Congress Approves the Federal-Aid Highway Act”. United States Senate. 1956 June 26. https://www.senate.gov/artandhistory/history/minute/Federal_Highway_Act.htm
67. “America’s Economy Rides o Interstate Highways, System Turns 65 on June 29; Remains Backbone of U.S. Economy”. American Road and Transportation Builders Association. https://www.artba.org/2021/06/28/americas-economy-rides-on-interstate-highways/
68. “Funding Federal-Aid Highways”. Federal Highway Administration. January 2017. https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/07.cfm
69. Kirk, Robert S., and Mallett, William J. “Funding and Financing Highways and Public Transportation”. Congressional Research Service. 2020 May 11. https://www.crs.gov/Reports/R45350 source=search&guid=dcec77518a1340baa450fd252107c9c4&index=0
70. Ibid.
71. Ibid.
72. “Federal Debt and the Statutory Debt Limit”. Congressional Budget Office. November 2021. https://www.cbo.gov/publication/57653
73. “Average Fuel Efficiency of U.S. Light Duty Vehicles”. Bureau of Transportation Statistics. https://www.bts.gov/content/average-fuel-efficiency-us-light-duty-vehicles
74. Davis, Jeff. “House Re-Elects Pelosi; Repeals “Ryan Rule” and Term Limits; Makes Highway Rescission Fix Easier”. Eno Center for Transportation. 2019 January 4. https://www.enotrans.org/article/house-re-elects-pelosi-repeals-ryan-rule-and-term-limits -makes-highway-rescission-fix-easier/
75. Elmendorf, Douglas W. Letter to the Honorable David Drier, Chairman, Committee on Rules, U.S. House of Representatives. 2012 June 29. https://www.cbo.gov/sites/default/files/cbofiles/attachments/hr4348conference.pdf
76. “LEGISLATIVE NOTICE: HIGHWAY AND TRANSPORTATION FUNDING ACT OF 2014 (H.R. 5021)”. Senate Republican Policy Committee. 2014 July 25. https://www.rpc.senate.gov/legislative-notices/legislative-notice-highway-and-transportation-funding-act-of-2014-hr-5021

ENDNOTES

77. "Summary of Surface Transportation and Veterans Health Care Choice Improvement Act of 2015". Committee on Transportation and Infrastructure, U.S. House of Representatives. https://republicans-transportation.house.gov/uploadedfiles/highways-fact_sheet.pdf
78. PL 114-41
79. Lowry, Sean. "The Federal Excise Tax on Motor Fuels and the Highway Trust Fund: Current Law and Legislative History". Congressional Research Service. 2016 February 22. https://www.crs.gov/Reports/RL30304 source=search&guid=10ea1e1618054784bd2ab17ee65f7c3f&index=0
80. Davis, Jeff. "House Re-Elects Pelosi; Repeals "Ryan Rule" and Term Limits; Makes Highway Rescission Fix Easier". Eno Center for Transportation. 2019 January 4. https://www.enotrans.org/article/house-re-elects-pelosi-repeals-ryan-rule-and-term-limits-makes-highway-rescission-fix-easier/
81. Kirk, Robert S., and Mallett, William J. "Funding and Financing Highways and Public Transportation". Congressional Research Service. 2020 May 11. https://www.crs.gov/Reports/R45350 source=search&guid=dcec77518a1340baa450fd252107c9c4&index=0
82. P.L. 117-58
83. Ibid.
84. Ibid.