



Written by [Michael Tennant](#) on December 18, 2018

Most Federal Spending Occurs Without Congressional Approval: GAO

Given the ferocity with which federal lawmakers battle over the budget, one might think the fate of the entire country hung in the balance. But the truth of the matter, according to a new [Government Accountability Office \(GAO\) report](#), is that they are fighting over a very small — and shrinking — portion of federal spending while most of the real budget-busters are on autopilot.



Of the \$3.7 trillion Uncle Sam spent in 2015, the GAO found that \$3.2 trillion of it was spent without explicit congressional authorization. That means Congress voted on just 14 percent of all federal outlays that year.

How did that happen when the Constitution vests the power of the purse in Congress alone? The answer is that Congress has seen fit to take most spending decisions out of its own hands.

Primarily, it has done so by creating entitlement programs whose budgets are determined by who is eligible to receive benefits and at what levels. These are known as “permanent appropriations.” The Department of Health and Human Services, which oversees Medicare, had the largest spending authority and permanent appropriations in 2015: \$979 billion, or about 30 percent of all such spending. The Social Security Administration came in a close second with \$928 billion, or 28 percent. The Treasury Department was next with \$542 billion, or 17 percent, most of which went to pay interest on the national debt. All told, permanently funded programs accounted for \$2.6 trillion, or 70 percent of all spending.

Congress has also ceded its power to federal agencies in other ways, including offsetting collections, contract authority, and borrowing authority, all of which allow agencies to disburse cash without an appropriation.

“Offsetting collections” simply means that an agency can take in money through such things as fines and fees and then spend that money as it desires (within statutory limits). In 2015, agencies spent \$421 billion in this manner.

Contract authority gives agencies the power to incur obligations in advance of appropriations. Agencies incurred \$165 billion in such obligations in 2015.

Borrowing authority, as the name implies, gives agencies the wherewithal to take on debt, which they did to the tune of \$13 billion in 2015.

That all this spending takes place outside of the legislative process is bad enough. What’s worse is that it keeps growing and making up an ever-larger portion of federal spending. In 1994, the latest year included on the GAO’s last look at delegated spending authority, such authority accounted for \$1.7 trillion. Thus, even after adjusting for inflation, delegated spending authority increased by 87 percent, to \$3.2 trillion, over the next 21 years.



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Permanent appropriations grew by 81 percent during that same time period, and they continue to increase as the population ages and healthcare costs keep rising. Offsetting collections shot up 126 percent, which suggests that agencies are taking every opportunity to impose fines and fees to boost their budgets and limit congressional oversight. But the biggest jump of all occurred under contract authority, which saw 166-percent growth. Have agencies come to believe they can present the obligations in signed contracts to Congress as a *fait accompli*?

On top of all that, Congress has made a shrinking portion of federal spending subject to budget sequestration, so reining in spending is more difficult than ever.

[Investor's Business Daily](#) offered its take on the situation:

The GAO says that this federal spending authority is supposed to provide federal agencies with greater flexibility, because they can run programs without having to wait for Congressional approval each year.

But it really amounts to an abdication of responsibility on the part of elected officials.

By putting more and more of the government on autopilot, lawmakers — both Republicans and Democrats — can wash their hands of most of the federal budget. Sure, Congress can change the rules to rein in entitlements, offsetting collections, and the like. But if it does nothing — the easiest road for lawmakers to take — the spending happens anyway.

Representatives and senators need to reclaim spending decisions from unelected bureaucrats as required by the Constitution. Then they need to follow the rest of that document and start slashing away at the countless programs that are driving the United States toward fiscal ruin.



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