

## **FARM BILL & PAYGO: RYAN MOTION TO INSTRUCT Q&A**

5 May 2008

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Reports indicate that Farm Bill conferees intend to use an outdated 2007 baseline to score the Farm Bill Conference Report for the purposes of the House pay-as-you-go (PAYGO) rule. The Ryan Motion to Instruct would require conferees to instead use the current 2008 baseline to determine whether the bill complies with PAYGO.

**Question:** Does PAYGO give the House a choice of which baseline to use?

**Answer:** No. PAYGO is explicit. The House is required to use the 2008 baseline to score the Farm Bill Conference Report and all other bills it considers this year. If the House uses the 2007 baseline, it will be in clear violation of PAYGO.

**Question:** Why does it matter whether the conferees use the 2007 or 2008 baseline to score the Farm Bill? Will the score be different?

**Answer:** Yes, the score will be different. And although the Conference Report has not yet been scored against both baselines, it is likely that the 2007 baseline will understate new spending by billions of dollars. The reason for this is that economic conditions have changed considerably in the past year. Food prices have skyrocketed and agricultural profits have risen to record levels. As a result, the cost of certain policies added to the bill, such as new nutrition spending, will be more significant than reflected by the 2007 baseline. Likewise, the savings from other programmatic changes, such as crop insurance, will be less than the conferees claim.

**Question:** Has there been enough time to adopt the new baseline?

**Answer:** Yes. The Congressional Budget Office [CBO] provided the House and Senate with a new baseline on March 3, 2008. Conferees have had over two months to adjust to the use of the new baseline.

**Question:** Farm Bill Conferees claim that this is a special circumstance that requires special treatment. They point out that negotiations have dragged on for a long time and the need to get the bill done in the short-term is so great that the 2008 baseline should not be used. Is this true?

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Answer: Farm Bill conferees have had CBO's updated baseline since early March, and all other legislation is being scored using this new baseline, even legislation that has been under negotiation for a long period of time. For example, the President submitted a supplemental request for funding for the conflicts in both Afghanistan and Iraq over one year ago. Despite this, the war supplemental will be scored relative to CBO's new baseline. The Farm Bill should not be treated any differently.

Question: The Senate plans to use the baseline in place at the time the last Budget Resolution was adopted. Since the House and Senate have not yet adopted a new Budget Resolution, and the Senate intends to use the 2007 baseline, shouldn't the House use the old baseline too?

Answer: First, the War Supplemental is using the 2008 baseline and the Farm Bill should not be given special treatment. Second, the House and Senate are expected to agree to a new budget resolution as early as this week making this a moot issue. Third, and perhaps most importantly, there is not a choice. The House must use the 2008 baseline or it will violate the House PAYGO rule.

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