

APPROPRIATIONS ALERT

BY THE COMMITTEE ON THE BUDGET, REPUBLICAN CAUCUS

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EMERGENCY WAR SUPPLEMENTAL, FISCAL YEARS 2008-09 H.R. 2642

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Sixteen months after the President requested Iraq and Afghanistan funding for 2008-09, the House Majority is now bringing to the floor an emergency supplemental bill totaling more than \$257 billion for the 2008-18 period. The measure, H.R. 2642 will provide discretionary funding for the war, diplomatic activities, domestic programs, Hurricane Katrina, and disaster assistance for midwest floods. The bill also contains direct, or mandatory, spending for expanded educational benefits for veterans, and extended unemployment insurance. The discussion below summarizes the bill according to these two components.

- **Discretionary Spending.** Overall, spending in the supplemental totals \$187 billion in discretionary budget authority [BA], including \$162 billion for the Department of Defense in Iraq and Afghanistan for fiscal years 2008-09; \$9 billion for diplomatic and international affairs activities; \$5.8 billion in funds for Katrina-related reconstruction in the Gulf States; and \$2.7 billion in disaster related assistance from the midwest flooding.
- **Direct Spending.** In addition, an amendment to the bill adds \$71 billion in new mandatory spending for domestic items, of which \$63 billion is for GI benefits and \$11.45 billion is for additional unemployment compensation. Because this spending is added to an appropriations bill, it need not comply with the House pay-as-you-go [PAYGO] rule. With this additional spending, the bill exceeds, by \$73.5 billion over 11 years, the amount provided for in the budget resolution.

Table 1: Summary of Supplemental War Spending Proposals

BA millions \$	President		House Floor	
	2008-09	11-Year	2008-09	11-Year
Discretionary Spending				
War	166,117	166,117	161,849	161,849
International/GWOT	12,048	12,048	15,121	15,121
Katrina	5,761	5,761	5,761	5,761
Midwest Flood	1,800	1,800	2,650	2,650
Other Domestic			1,121	1,121
Direct Spending				
GI Bill	---	---	796	62,770
Unemployment Ins.	---	---	7,776	11,455
Medicaid	---	---	1,110	-4
Subtotal: Direct Spending	---	---	9,657	70,934
Total Spending*	185,726	185,726	196,157	257,436
*Net of UI Revenue Effect	---	---	27	3,287

