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## **THE COMMITTEE ON THE BUDGET**

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# **DELIBERATE DISREGARD FOR SPENDING DISCIPLINE**

## **A SUMMARY OF THE DEMOCRAT FISCAL YEAR 2007 SUPPLEMENTAL**

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### **SUMMARY**

The Democrats' supplemental spending bill for fiscal year 2007 bill adds about \$22 billion in spending that was not requested by the President, most of which fails to meet the required definition of an "emergency." The measure also violates new rules governing emergency spending, and breaches the limit on total appropriations for the current year.

As reported by the Committee on Appropriations, the spending add-ons include approximately \$21 billion in new domestic spending – most of which should have been funded in the recently enacted fiscal year 2007 omnibus appropriation passed by the Democrats just a few weeks ago. As such, the great majority of this domestic spending is therefore non-emergency and is ineligible for the \$6.45 billion nondefense funding reserve established by the current budget resolution for truly legitimate emergencies.

The add-ons – transparently aimed at garnering support for the controversial measure – include spending for spinach growers, peanut farmers, and the shrimp and menhaden fishing industries – among others. The measure even includes the House-passed minimum wage bill, whose connection to funding for troops overseas is, at best, difficult to discern.

The President requested \$103 billion in the current year mainly to support U.S. troops in Iraq and Afghanistan, fighting the Global War on Terrorism. The administration also requested funds for war-on-terrorism-related international affairs activities, and for Katrina reconstruction efforts.

### **DETAILS**

After adding more than \$6 billion to the recent omnibus appropriations bill, Democrats have used this second spending measure to increase spending further, much of it unrelated to national security and directed to more parochial interests.

The budget resolution currently in force (H.Con.Res. 376) defines an "emergency" as an "unanticipated" situation requiring new budget authority and outlays to prevent threats to life or property. The resolution further provides a definition of "unanticipated" as sudden, urgent,

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unforeseen, and temporary. The definition is consistent with longstanding criteria employed by the Congress and the administration's Office of Management and Budget.

The budget resolution also provides a reserve fund for domestic emergencies, setting aside \$6.45 billion for such events. For domestic emergencies above this amount, the resolution requires that the Committee on the Budget convene and vote on whether to revise the reserve fund levels and exempt the excess spending from budget disciplines.

Of the \$23 billion added to the bill by the Appropriations Committee, about \$17.5 billion is domestic spending designated as "emergency." But only about \$1.7 billion of this amount appears to qualify as emergency spending under the criteria provided in the budget resolution. The remaining amount clearly exceeds the \$6.45 billion reserve fund amount.

The measure represents two fundamental violations of fiscal discipline.

- First, it ignores the rules governing emergencies – apart from the provisions illegitimately designated as "emergencies" – because the Budget Committee failed to raise the appropriations limit to accommodate the excess "emergency" spending.
- Second – and as a consequence of the first violation – the bill breaches the *overall* limit on total appropriations. Because of the latter, the measure is subject to a point of order – which, however, will be waived by the rule.

Spending added to the bill includes (but is not limited to):

- **Paying for the Democrat Raid on Defense Funds.** The Democrats have added \$3.1 billion for Base Realignment and Closure [BRAC]. This comes after Democrats deliberately underfunded BRAC in the recent fiscal year 2007 omnibus, despite a request of \$5.6 billion in the President's 2007 budget. The omnibus diverted the President's requested BRAC funding to other favored programs. Moreover Democrats rejected the administration's proposed offsets to fully pay for these overdue BRAC resources. These BRAC funding maneuvers will disrupt the ability of the Department of Defense to provide for the families of U.S. troops.
- **Phony Domestic Emergencies.** The Democrat supplemental adds billions in spending they were unwilling to pay for in the regular appropriations process to remain within the \$873-billion spending level they deemed for fiscal year 2007.

Among the other illegitimate "emergencies" the Democrats have added are the following:

- *\$3.7 billion in agriculture disaster assistance* for crop years 2005, 2006, and part of 2007. These crops already receive Federal production subsidies through the 2002 farm bill. In addition, disaster assistance for the losses is subsidized through Federal crop insurance and related programs. Because this spending is mandatory, eligible producers have already received disaster assistance for these losses. This funding requirement is neither sudden nor unforeseen.

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- *\$400 million for the Low Income Home Energy Assistance Program [LIHEAP].* Considering that winter is all but over, this funding cannot be considered “urgent.” About 50 percent of it would be directed to energy cooling costs.
  - *\$35 million for NASA for Hurricane reconstruction costs.* The National Aeronautics and Space Administration [NASA] has already received funding for these costs in previous supplementals. Moreover, section 2201 of the bill grants NASA transfer authority to use \$48 million in previously appropriated excess supplemental funds to replenish regular accounts tapped for Katrina costs. This is not a sudden or unforeseen emergency.
  - *\$50 million to create a new Federal compensation fund, the Covered Countermeasure Process Fund to compensate individuals injured by H5N1 vaccine under a Public Readiness and Emergency Preparedness Act (PREP Act) issued in January 2007.* Again, this compensation is not sudden and not truly urgent – and it should have been funded in the omnibus appropriations bill.
- **Funding Parochial Interests.** Rather than pass a clean supplemental, with bipartisan cooperation, to support troops in the field, House Democrats turned the war supplemental into a special-interest gravy train of non-emergency spending. These additions include:
- *\$25 million for spinach growers* who suffered losses as a result of last year’s Food and Drug Administration advisory regarding fresh spinach after an E.coli bacteria disease breakout. Other industries are not compensated by the Federal Government for safety recalls or bans.
  - *\$140 million for various agriculture interests,* including \$100 million for the Hurricane Citrus Program, \$25 million for livestock, and \$15 million for irrigated crops. This duplicates emergency assistance already provided for these losses.
  - *A \$74-million budget gimmick essentially to extend the Peanut Storage Costs Program,* a mandatory 2002 farm bill program whose authorization expired with the 2006 crop year for peanuts. The bill makes the budget authority available on the last day of fiscal year 2007, ensuring that the program will be extended to the 2007 crop year of peanuts, whose costs fall entirely into fiscal year 2008. This provision does not respond to an unanticipated or sudden emergency.
  - *\$120 million for the shrimp and menhaden fishing industries.* This duplicates emergency assistance already provided for these losses.
- **Adding Controversial Authorization Language.** The bill waives the current prohibition on forgiving certain Community Disaster Loans at a cost of \$321 million. Other provisions include the House-passed minimum wage bill, and a prohibition on the Department of Agriculture from implementing a risk-based poultry and meat food inspection program.