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**Policy Brief – Part I:.....FY 2005 Omnibus**

**OVERALL DISCRETIONARY SPENDING**

All figures based on Appropriations Committee information, CBO, and RSC calculations.

FISCAL YEAR 2005:

Previously Enacted Bills:	\$433,477,000,000
Omnibus:	\$388,442,000,000
TOTAL:	\$821,919,000,000

Budget Resolution Target: \$821,919,000,000

**NOTE:** In order to comply with the budget resolution, the omnibus relies on roughly \$1.6 billion in practices that conservatives have often described as gimmicks and \$400 million in spending designated as emergencies. Please see the discussion below.

**DISCUSSION OF COMPLIANCE WITH THE BUDGET RESOLUTION:**

The conference report to the FY05 Budget Resolution (H. Con. Res. 95) included \$821 billion for total discretionary spending. In negotiations with the House on the remaining nine appropriations bills, the Senate insisted on more than \$4 billion in additional spending above the budget resolution. In addition, while insisting that spending remain within the overall limit, the Administration sought funding for certain Presidential priorities at higher levels than provided by either the House or the Senate (Millennium Challenge Accounts, NASA, and the nuclear waste repository at Yucca Mountain for example). As a result, the omnibus pays for this additional spending with an across the board cut of .75% (which simply reduces the accounts in the bill and in the non-defense, non-homeland security bills previously enacted) and a series of four accounting maneuvers.

First, the omnibus includes an accounting shift regarding public housing authorities (PHAs). Currently, the federal government subsidizes the operating costs of PHAs. However, the PHAs are on different fiscal years and normally get their full annual allocation at the beginning of *their* fiscal year. The omnibus bill will include language requiring all PHAs to convert to a calendar year budget, resulting in \$1 billion in “savings” for FY05 since PHAs will only receive the funding necessary to meet costs through calendar year 2005. The effect of the provision is to defer costs into the future to allow for additional spending now, spending that likely will be assumed into the baseline.

Second, the bill rescinds roughly \$300 million in defense appropriations, raising the concern for some conservatives that defense spending is being reduced for lower priority spending. In addition, it is unclear that such a rescission will result in true savings. For instance, the FY04 Omnibus included a similar \$1.8 billion rescission of defense and unused emergency spending from post-911 to help meet last year's budget resolution. That \$1.8 billion was later restored this year on the FY05 Defense Appropriations conference report and labeled an emergency.

Third, the bill relies on new data suggesting that receipts have increased in the Crime Victims Fund by \$283 million. However, CBO does not publish an updated economic outlook until January and thus to have access to such funds, it would be necessary to direct CBO to assume such revenues in its scorekeeping. The Committee has left the directed scorekeeping provision out of the text (due in part to past objections by some conservatives to such provisions), and thus when a CBO score is finally produced, it will probably result in the omnibus exceeding the budget resolution.

Finally, the omnibus will also include an extra \$300 million for the Low-Income Home Energy Assistance Program (LIHEAP) beyond the regular appropriation because of currently high energy prices. This will be designated as an emergency and will not be counted against the budget resolution even though past LIHEAP contingencies have often been paid for within budget parameters. In addition, the bill provides an additional \$100 million in emergency designations (\$7M for Postal Service and \$93M for Sudan). These designations were agreed to by the Administration in a letter to Congress.

**NOTE:** In order to comply with the budget resolution, the omnibus relies on roughly \$1.6 billion in practices that conservatives have often described as gimmicks and \$400 million in emergencies.

## INDIVIDUAL BILL FUNDING LEVELS

In Billions of Dollars

	FY04 Enacted	FY05 House Passed	FY05 Omnibus	% Change from FY04	% Change from House
Agriculture	17.6	16.8	16.9	-4.1%	.6%
CJS	38.9	39.8	37.6	-3.5%	-5.9%
Energy-Water	27.2	27.9	27.9	2.3%	0%
Foreign Ops	17.5	19.3	19.4	10.9%	.5%
Interior	19.9	19.9	20.0	.5%	.5%
Labor-HHS	139.7	142.5	143.3	2.3%	.5%
Leg. Branch	3.5	2.7*	3.5	0%	30%**
Transp.-Treas.	28.3	25.3	25.8	-9.7%	1.9%
VA-HUD	92.9	###	93.5	.6%	###

\*Figure includes House-only items. \*\*The final Leg. Branch spending bill is typically much higher because it includes Senate-only items.

**NOTE:** These figures do not include the .75% across the board reduction.

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