

APPROPRIATIONS ALERT

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AGRICULTURE APPROPRIATIONS ANOTHER BILLION-DOLLAR SPENDING INCREASE (H.R. 3161)

The fiscal year 2008 Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill provides another Democratic spending increase – this one totaling \$1 billion in budget authority [BA] over the regular 2007 level, and \$982 million over the President’s request. It is another installment in the Democratic budget plan to increase discretionary spending by \$81.4 billion compared with 2007 (including \$26 billion for domestic programs) – a boost exceeding 9 percent, more than tripling the rate of inflation.

The bill provides \$19 billion in net discretionary budget authority – an amount equivalent to the subcommittee’s allocation – and \$20 billion in discretionary outlays, \$155 million below its allocation. Key points about the measure include the following:

- ***It Dodges the Democrats’ PAYGO Rule in the House.*** The bill expands the mandatory Simplified Summer Food Service Program, raising outlays by \$67 million over 10 years (2008-17). Regardless of the program’s merits, such mandatory spending increases are supposed to be offset under the House pay-as-you-go [PAYGO] rule. But the rule does not apply to appropriations bills – and this provision exploits that loophole.
- ***It Offsets \$201 Million in Real Spending with Gimmicks and a Recycled Farm Bill Provision.*** The bill employs two brands of phony offsets to finance \$201 million in real spending.
 - First, it rescinds \$147 million in budget authority for the USDA’s Funds for Strengthening Markets, Income and Supply (Section 32) program, and \$34 million in certain rural development funds. But these will not yield any outlay savings, because this money never would have been spent anyway.
 - Second, the bill recycles a \$20-million cut in the Environmental Quality Incentives Program that was included in the Farm Bill passed by the House last week. Overall, the bill uses these gimmicks and recycled offset to finance \$201 million in real spending.
- ***It Increases Spending, Compared to the President, on Questionable Rural Development Programs.*** The bill provides \$904 million for an array of USDA rural development programs, 16 percent above the President’s request in this area. The administration has found that several of the these programs, such as the Community Facilities Program, to be only moderately effective and others, such as the Rural Business Enterprise Grant Program, that have not demonstrated results.