



# APPROPRIATIONS ALERT

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## FINANCIAL SERVICES APPROPRIATIONS AN 9.9-PERCENT INCREASE, AND \$34 MILLION IN EARMARKS (H.R. 2829)

The fiscal year 2008 Financial Services appropriations bill provides \$21.4 billion in net new discretionary budget authority, an increase of \$1.9 billion – or 9.9 percent – above the non-emergency 2007 level, and \$192 million above the President’s 2008 budget request. It also contains \$34 million in earmarks, mostly for the Small Business Administration.

The bill is another installment in the Democrat budget resolution plans to increase total non-emergency discretionary spending by \$81.4 billion next year (including \$26 billion for domestic programs) – growing more than 9 percent, or more than triple the rate of inflation. This large spending hike would add to the \$6 billion Democrats added to the current-year omnibus, and the \$17 billion in non-war non-emergency spending they attached to the Iraq war supplemental.

The President has stated he will veto the bill if floor amendments weakening current travel and trade restrictions on Cuba or Federal abortion policies are added, or if the bill does not continue language regarding benefits for unmarried domestic partners in the District of Columbia.

- ***The Bill Guts Private Debt Collection Efforts.*** The bill effectively guts the IRS’s successful private debt collection program, by limiting it to \$1 million in 2008 (it received \$15 million in 2007). According to the administration, terminating this program would cost taxpayers at least \$1.5 billion over the next 10 years.
- ***It Contains \$34 Million in Earmarks.*** The bill has more than 140 earmarks, totaling \$34 million – including about \$31 million for the Small Business Administration. The earmarks were inserted at the subcommittee’s markup on 21 June, following an agreement – secured by the Republican Leader and Republican Study Committee – that Democrats would honor the House rule requiring earmarks to be identified. More projects are expected during conference with the Senate.
- ***It Increases Federal Pay Above the President’s Request.*** The bill raises Federal employees’ pay 3.5 percent, exceeding CBO’s current forecast for private-sector wages and salaries (the Employment Cost Index). The President proposed a 3-percent raise.
- ***It Boosts Funds for Shopping, Cell Phone Information.*** According to the committee report, the bill provides \$16 million to the General Services Administration’s Federal Citizen Information Center [FCIC] Fund – an increase of approximately \$1 million, or 6 percent, above the enacted 2007 appropriation. The FCIC distributes consumer information collected by Federal agencies and programs, including how to buy a car, tips on shopping from home, and general information about cell phones.