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RSC Policy Brief: Status of the FY 2009 Appropriations Process

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"Furthermore, let me just remind you, and I'm sure you recall this, that we took 50 hours longer to do the appropriations bills last year than we did in 2006 when your side was in charge. And we had extensive debate. We had 10 open bills, open rules, and we had two rules at the end, because it was clear that we were having great difficulty getting our bills done in a time cramp. Even under those bills, we spent hours debating them. We spent 17 hours on the Homeland Security bill, for instance, and 12 hours on the Labor-HHS bill on the floor."

-Steny Hoyer, July 10, 2008 Congressional Record

"If we don't deal with any bills this year, I guess our average is going to go down quickly. If we had 12 hours on Labor H last year and zero this year, I guess for this Congress we will say we spent an average of 6 hours debating the bills because one of them never got debated at all."

-Roy Blunt, July 10, 2008 Congressional Record

<u>Status of FY 2009 Appropriations Bills:</u> The full House is not scheduled to meet again until September 8th—just 23 days before the end of the current fiscal year. Prior to August recess, the House Appropriations Committee passed just five of the twelve FY 2009 bills: Military Construction-Veterans, CJS, Homeland Security, Energy and Water, and Financial Services. Only one bill has come to the House floor, the Military Construction-Veterans bill, which was approved on August 1, 2008. *None* of the twelve FY 2009 spending bills have been sent to the President or enacted into law.

<u>The Majority's FY 2009 Spending Plan:</u> Last month, the House Appropriations Committee approved the <u>302(b) allocations</u> for the FY 2009 spending bills that set a \$1.013 trillion overall spending level for FY 2009 discretionary spending (not counting emergency spending). This is a \$72 billion or 7.7% increase compared to last year and a \$24 billion or 2.4% increase compared to the President's request.

Per this spending plan, the 110th Congress will have increased non-emergency discretionary spending from \$873 billion in FY 2007 to \$1.013 trillion in FY 2009, an increase of \$140 billion or 16.0% in two years.

In January 2007, the same month that the Democrats took control of the 110th Congress, CBO released a <u>budget and economic outlook</u> that projected non-emergency discretionary budget authority would be \$922 billion in FY 2009. The Democrat spending plan exceeds this amount by \$91 billion or 9.9%. This translates to more than \$1 trillion of higher spending over the FY 2009-FY 2018 budget window.

<u>Deliberation and FY 2009 Spending:</u> House Democrats have argued that the amount of time spent on deliberation during the FY 2008 process put a burden on the House schedule. Majority Leader Hoyer referred to it as a "time cramp." The chart below compares the amount of time the House spent on amendment and general debate on the House-passed FY 2008 spending bills, to the amount of spending and number of earmarks in each of the enacted bills.

Congressional Deliberation and the FY 2008 Appropriations Process in Perspective

In	Milli	ons o	f Doi	lars

Bill	Number Earmarks	FY 08 spending	Hours spent deliberating	Money spent/hour deliberation	Earmarks/hour deliberation
Agriculture	623	18,493	6	3,082	104
CJS	1,728	51,989	12	4,332	144
Defense	2,049	459,332	2	229,666	1,024
Energy- Water	2,427	30,888	14	2,206	173
Financial Services	234	20,849	11	1,895	21
Homeland Security	131	37,562	23	1,633	6
Interior	651	26,555	15	1,770	43
Labor-HHS	2,241	145,148	21	6,912	107
Legislative Branch	4	3,970	3	1,323	1
Military- Veterans	573	63,905	5	12,781	115
State-Foreign Ops	0	32,800	12	2,733	
T-HUD	2,149	48,821	11	4,438	195
Total	12,810	940,312	135	6,965	95

As the table above indicates, last year the House spent 135 hours of debate on the House floor to approve 12 appropriations bills that spent \$940 billion and included 12,810 earmarks. Put another way, Congress approved *95 earmarks* and *\$7 billion* of spending for every hour of deliberation on the House floor during the FY 2008 appropriations process.

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¹ CBO's <u>FY 2008-2018 Budget and Economic Outlook</u> projected that total discretionary budget authority would be \$995 billion in FY 2009 (under the baseline). Excluding the \$73 billion for emergency war spending, the figure for non-emergency discretionary budget authority comes to \$922 billion.

This year, instead of working on the appropriations bills that keep the federal government running, the House has considered legislation such as: 92 different bills to name post offices, legislation to prevent monkey bites by banning the sale of non-human primates (H.R. 2964), a resolution to support the international year of sanitation (H.Con.Res. 318), and a resolution to support National Passport Month (H.Res. 554). So far the House has only been in session for one full <u>five day work week</u> while taking off twelve weeks.

FY 2009 Appropriations and the Federal Budget: While House Democrats plan to increase spending through the appropriations process by nearly 8%, the rest of the budget is also growing rapidly. The deficit is project to rise to the highest level ever (in nominal terms), the national debt is approaching the \$10 trillion mark, and the total amount of the federal government's unfunded obligations is **\$52.7 trillion**.

Rising Federal Spending: In FY 2009, total federal spending is projected to exceed \$3 trillion for the first time in U.S. history. As a percentage of GDP, the OMB mid-session review projects that federal spending will increase from 18.5% of GDP in 2001 to 21.1% of GDP in 2009—the highest level since 1993.

Rising deficit: The federal government has run a budget deficit in 42 of the last 47 years. The largest nominal budget deficit in U.S. history is the \$413 billion deficit incurred in 2004. From 2005-2007, due to the growth of tax collections, the deficit declined every year reaching \$162 billion in FY 2007—a reduction of 60% in three years. But OMB's mid-session review projects that the deficit will increase to \$389 billion in FY 2008 and to \$482 billion in FY 2009. If these projections prove correct, the 110th Congress will have presided over a 197.5% increase of the federal deficit in two years, while running up the largest and third largest nominal budget deficits in U.S. history.

Rising Debt: The national debt is currently \$9.61 trillion (\$31,600 per person), an increase of \$941 billion in the 19 months since the 110th Congress convened. To accommodate this rising debt, the 110th Congress has increased the debt limit twice. The most recent increase was part of the Foreclosure Prevention Act, which increases the debt limit from \$9.815 trillion to \$10.615 trillion, an \$800 billion or 8.2% increase.

Rising Unfunded Liabilities: The national debt does not include all of the federal government's fiscal exposures. That figure, the federal government's unfunded liabilities, comes to \$52.7 trillion over 75 years. According to GAO, due to growing entitlement costs, taxes would have to double by 2040 in order to have a balanced budget in that year.

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