



CHANGING THE CULTURE

A New Vision for the House Appropriations Committee

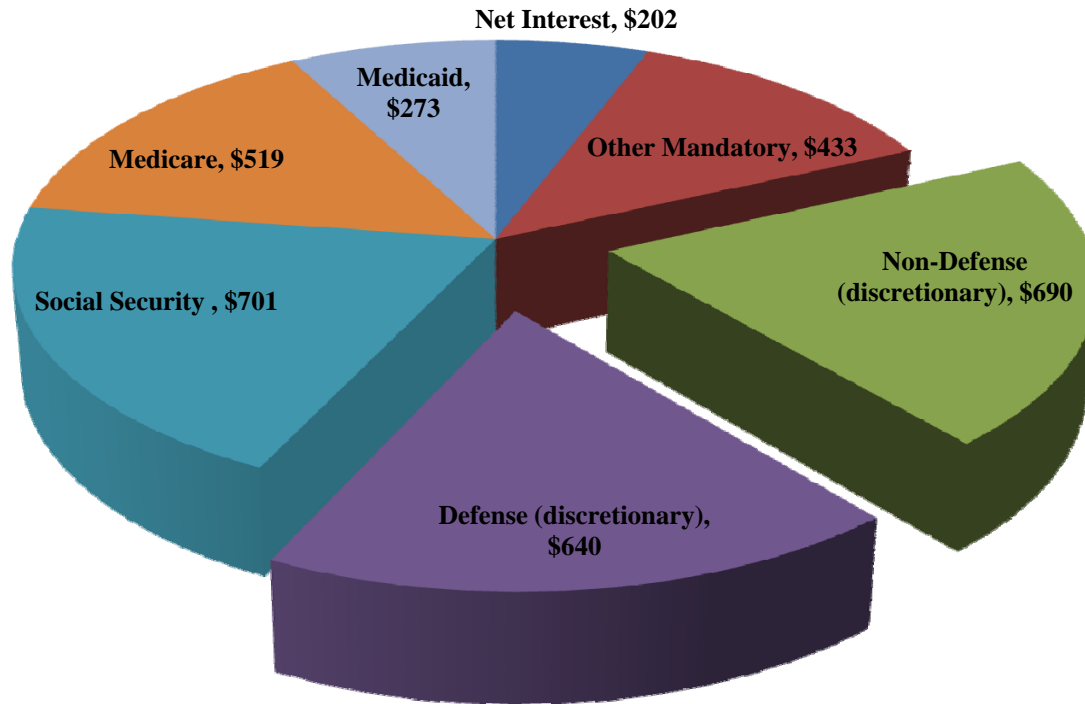
Congressman Jack Kingston

Presentation to House Republican Steering Committee

November 30, 2010

Federal Spending

(in billions of dollars)



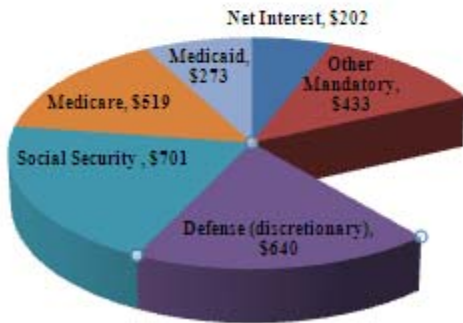
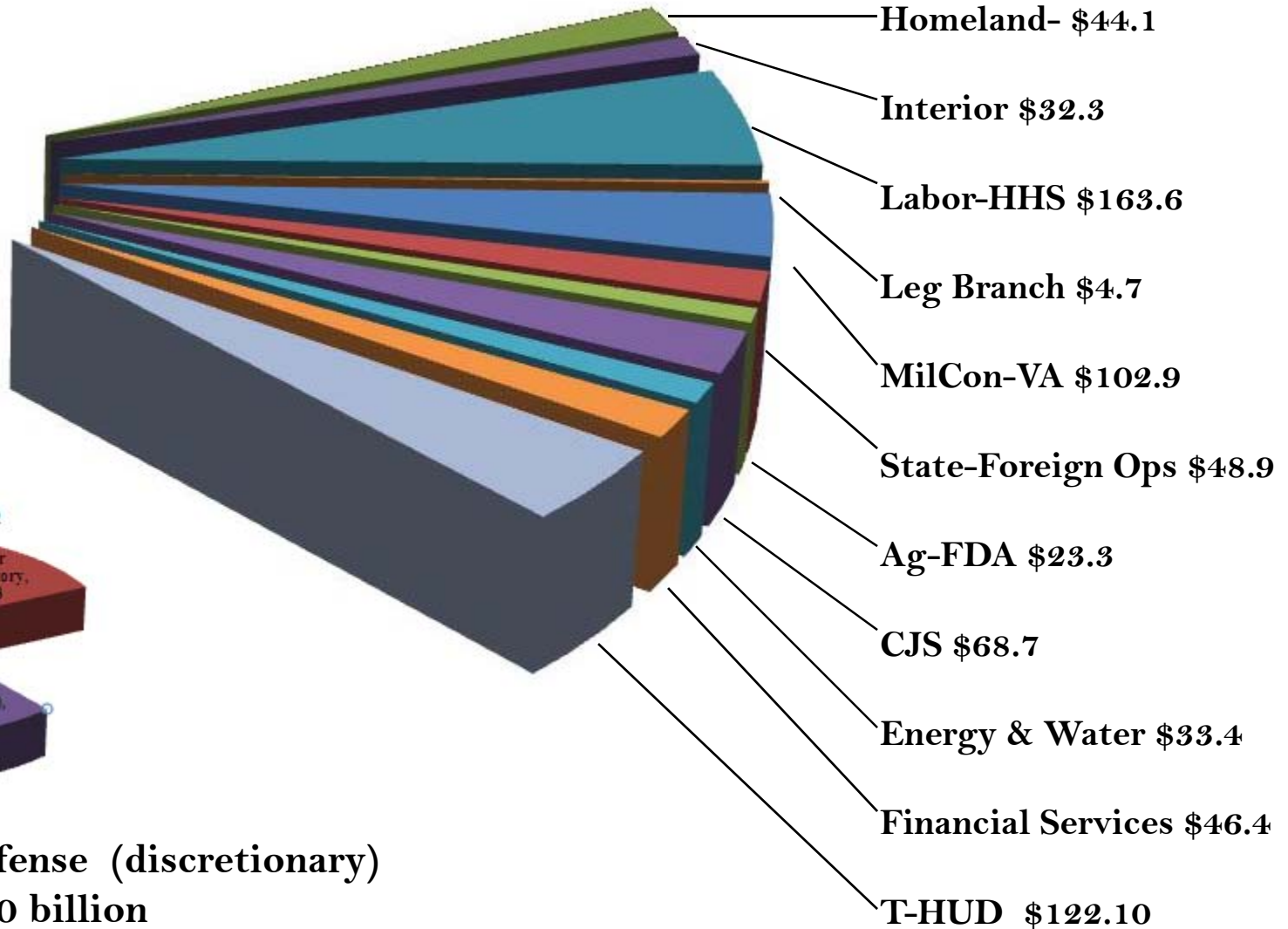
Total Revenue: \$2.2 trillion

Total Spending: \$3.5 trillion

FY 2010 Deficit: \$1.3 trillion

Non-Defense (discretionary)

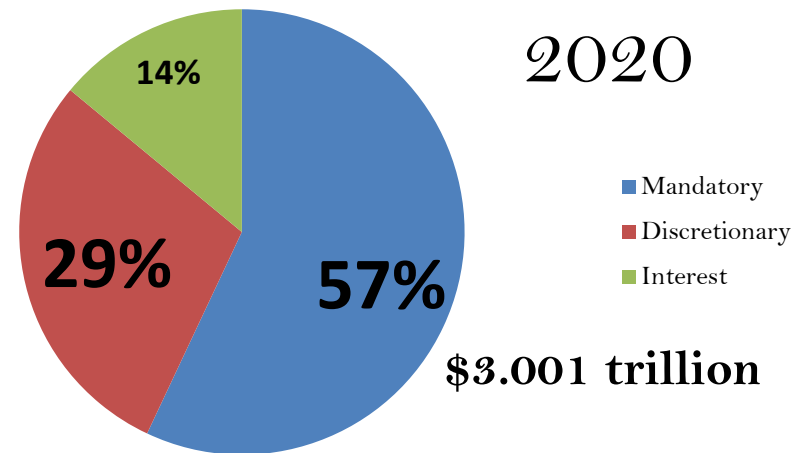
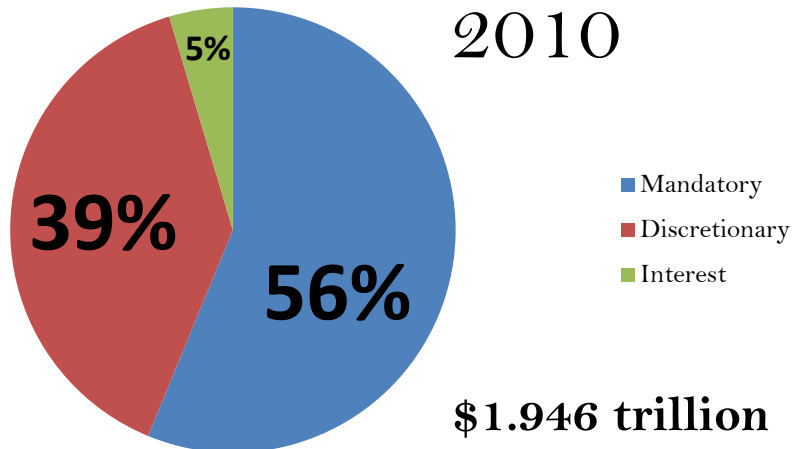
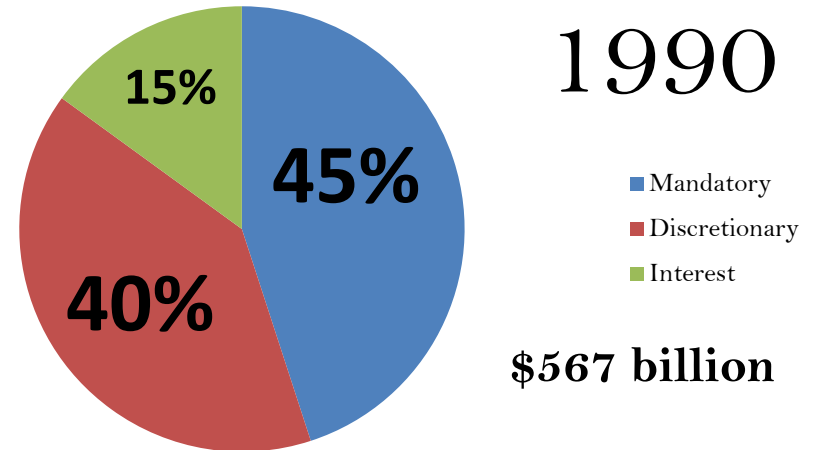
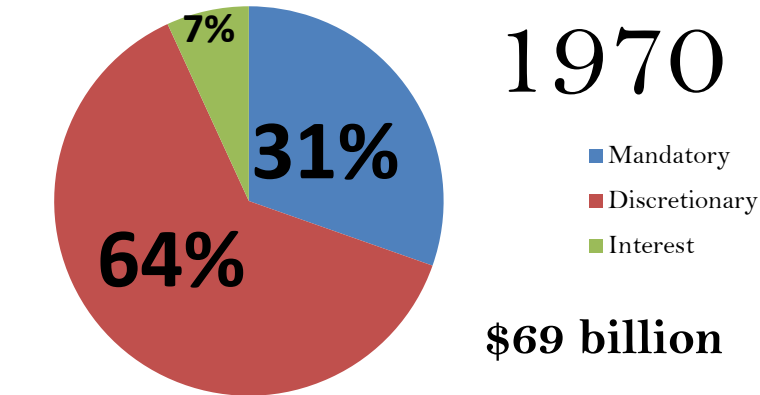
(in billions of dollars)



Total Non-Defense (discretionary) Spending, \$690 billion

“The Big Stuff”

Entitlements: *61 million Americans receive entitlement checks*



“The Big Stuff”

- **States Addiction to the Federal Government**
 - 28% of state revenues currently come from Washington
- **War Costs: \$1.09 trillion**
 - Afghanistan: \$338 billion
 - Iraq: \$750 billion
- **Stimulus**
 - Economic Stimulus Act of 2008: \$168 billion
 - American Recovery and Reinvestment Act of 2009: \$862 billion
- **Federal Reserve Bailouts**
 - Bear Stearns: \$29 billion
 - AIG: \$182.5 billion
- **Fannie and Freddie**
 - Since 2008 Fannie and Freddie have received \$148 billion and will require up to \$363 billion per the Federal Housing Finance Agency

Changing the Culture



A New Vision for the House Appropriations Committee

I. Modernize Gramm-Rudman

II. Destroying the Spending Infrastructure

III. Changing Communication

IV. Meeting the Pledge

I. Modernize Gramm-Rudman*

A. Bring to a Floor Vote Immediately When Congress Reconvenes in January.

If Senate Democrats kill it, make it a House rule like the earmark ban.

B. Automatic Spending Cuts when Appropriations exceeds budget targets

C. Spending caps give members and Public spending guidelines

* See appendix



II. Destroying the Spending Infrastructure

A. Authorizing-Appropriations Dynamic

- No more unfunded authorization bills
- Every bill that authorizes new funding must be approved by the Budget Committee
- No more minimum funding requirements in authorization bills



FACT: 2005 Highway Bill authorized a minimum of \$3.3 billion for Capital Investment Grants

- Quit Funding Expired Programs

FACT: Expired programs were funded at \$290 billion in FY2010



- » \$4,469,000,000 for NASA (2009)
- » \$791,608,000 for Community Oriented Policing Services (2009)
- » \$29,000,000 for the NOAA Coral Reef Conservation Activities (2004)
- » \$20,500,000 for the Congo Basin Forest Partnership (2004)

- Make CUT-GO a rule of the House like the earmark ban.
- No spending bills on Suspensions Calendar

II. Destroying the Infrastructure of Spending

B. Grants are the New Earmarks

- Review grants in each subcommittee

*In the absence of earmarks in 2007, we sent a huge chunk of money to the Executive Branch to divvy out as they so desired with **no accountability** and **no transparency**.*

- No Accountability

- TIGER Grants are intended help depressed areas, yet **ONLY** 60% went to depressed areas.
- \$800 million FIRE and SAFE Grants purchased firefighting equipment & subsidized fire fighter salaries, but they have **NOT** reduced deaths or injuries.
- 67% of COPS grantees did **NOT** comply with grant requirements. However, noncompliant grantees were **STILL** awarded 39 additional grants totaling \$18.7 million.

- No Transparency

- Before the November elections Senator Harry Reid received \$1 billion for Project Neon2.
- HUD has awarded ACORN more than \$19 million in housing counseling grants since 1995.
- 90% of the State of Good Repair Grants were awarded to Democrat-held districts



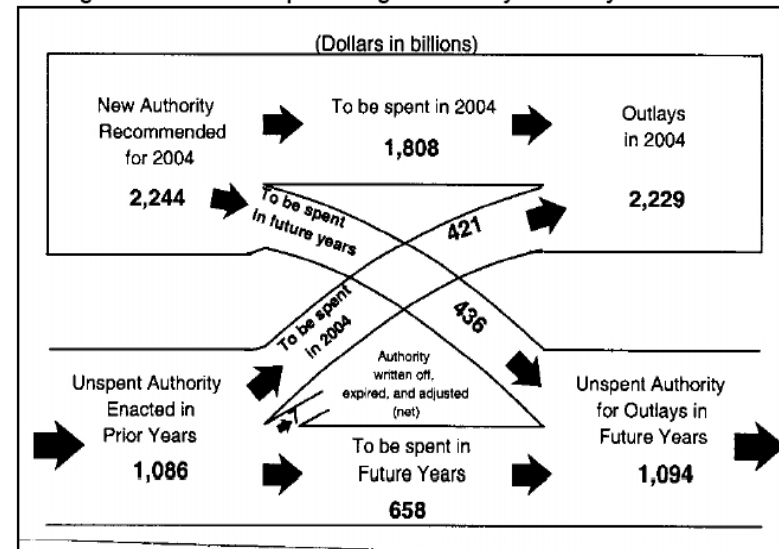
FACT: *The government has dedicated \$7.2 billion in broadband grants to pay companies to do what they would do on their own. The practice subsidizes profit and puts other companies at a competitive disadvantage.*

II. Destroying the Infrastructure of Spending

C. Replace “Scoring” with “Deficit Impact Analysis”

- End the term “emergency spending”
- Count unspent funds from last cycle
- End advance appropriations

Figure 2. Relationship of Budget Authority to Outlays for FY2004



FACT: There is no such thing as an offset. Transferring your Master Card debt to your American Express is not an offset.

II. Destroying the Infrastructure of Spending

D. Empowering the Committee

- More budget hawks on Appropriations Committee.
- Get members off subcommittees in which they are unable to take hard votes.
- Encourage member specialization



Whether it's expertise on a weapons system or branch of the military, the Defense Subcommittee should have member specialization.

- Black Budgets

Better coordination between authorizers and appropriators, increased scrutiny

- Surveys & Investigations: Use it or kill it



Create Surveys and Investigations Subcommittee, make Jeff Flake Chairman.

- Institute 72 hour rule before sub- and full committee mark-ups.
- Put our friends to work.



Appropriators should regularly meet with Heritage, Cato, Americans for Tax Reform, American Conservative Union and others to exchange ideas and keep the ground war running.

II. Destroying the Infrastructure of Spending

E. Battling the Bureaucracy

- **End Reprogramming.** Saved money should go back to the Treasury.
- **Stop Year-End Spending Spree.** Audit spending spikes, incentivize savings.
- **Suspend “Rainy Day” GSA Accounts.** An agency should not be able to ‘park’ funds. Unspent funding should be devoted to deficit reduction.
- **Program Elimination.** If a program is eliminated or funding is reduced, the bill’s overall cost should be reduced by that amount. (Culberson Proposal)
- **Engage on Entitlement Reform.** Agencies that oversee entitlements should submit to regular oversight hearings to justify their funding.

II. Destroying the Infrastructure of Spending

F. End Duplicative Programs

Just as the Pledge states that all bills should justify their constitutionality, they also should certify that existing programs are not duplicated.

Facts:

- 69 programs exist for early childhood education
- 44 job training programs exist at 9 federal agencies, costing \$30 billion
- 16 programs exist to fight homelessness.



III. Changing Communications

- Weekly Educational Pen & Pad
highlight cuts, explain tough issues, and facilitate reporters, staff and public's knowledge of the issues
- Utilize new and traditional media
- Weekly press secretaries meetings for entire committee
- Awards for members who cut spending
- Web-based tool for citizens, federal employees to report waste, fraud, abuse



III. Changing Communications

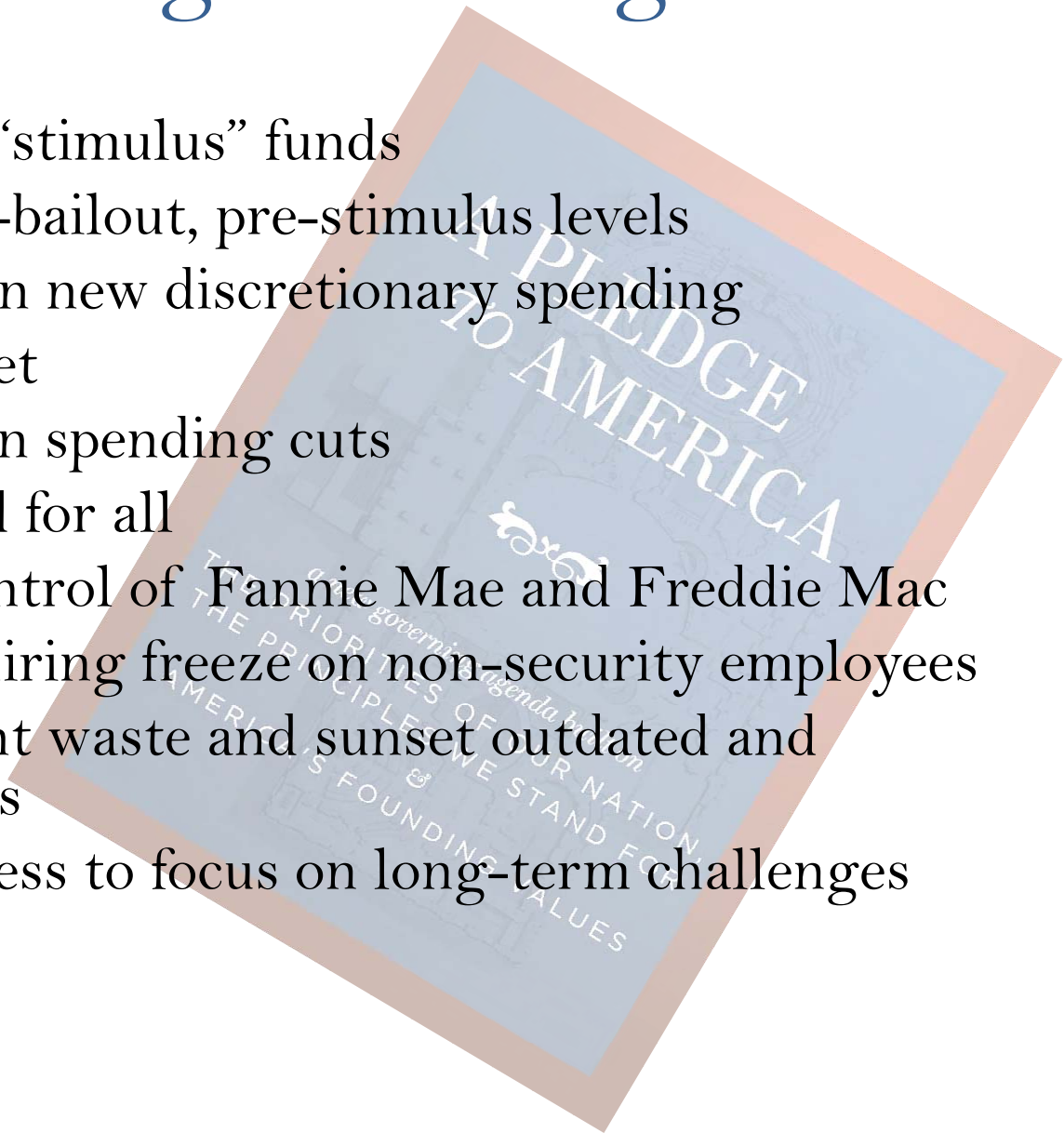
Maybe a'int what it used to be...



An Important Message From Medicare
with Andy Griffith

IV. Meeting the Pledge

- Cancelling unspent “stimulus” funds
- Cut spending to pre-bailout, pre-stimulus levels
- Establish hard cap on new discretionary spending
- Cut Congress’ budget
- Hold weekly votes on spending cuts
- End TARP once and for all
- End government control of Fannie Mae and Freddie Mac
- Impose net federal hiring freeze on non-security employees
- Root out government waste and sunset outdated and duplicative programs
- Reform budget process to focus on long-term challenges



Jack Kingston

- Elected 1992
- Appointed to Appropriations 1994
- Subcommittees: Treasury/Postal Service, Interior, Military Construction, DC, Legislative Branch, Agriculture/FDA, Defense
- Cardinal , 108th Congress , Legislative Branch Subcommittee
- Ranking Member, 110th & 111th Congresses, Agriculture Subcommittee
- Media Appearances: *Morning Joe, Fox & Friends, Lou Dobbs Tonight, Your World with Neil Cavuto, The Colbert Report, Hannity & Colmes, Real Time with Bill Maher, Hard Ball with Chris Matthews, Red Eye , The Dylan Ratigan Show, Geraldo at Large, The Daily Show*
- Initiatives:
 - Earmark Reform (H. Con Res 263, 160 cosponsors)
 - DRIVE Act (HR 670, 83 cosponsors)
 - E-Verify (FAIR People's Representative Award)
 - Chairman, 2005 President's Dinner
 - 2006 Golden Dot Award for Online Politician of the Year
 - Czar Accountability and Reform Act (HR 3226, 123 cosponsors)
 - America Speaking Out Working Group
 - Chairman , House Republican Theme Team
 - Regional Chairman, NRCC
- 2009: sponsored or cosponsored \$110 billion in spending cuts (NTU)
- Interest Group Ratings:

Freedom Works: 100%	American Conservative Union: 96%
Americans for Prosperity: 95%	Americans for Tax Reform: 95%
Natl Right to Life: 100%	Natl Taxpayers Union: 89%
Club for Growth: 89%	Heritage Alliance: 93%
Natl Rifle Association: A+	Eagle Forum: 100%



MODERNIZE GRAMM-RUDMAN-HOLLINGS

We need a budget plan that would require statutory fiscal targets and includes an enforcement mechanism to guide budget decisions. Today's budget resolutions contain no fiscal targets, and the bulk of government spending- nearly 60 percent- is on autopilot. Swift action on an aggressive spending reduction plan would send a strong message to the American people that Republicans are serious about putting this country on a sustainable budget path and limiting the size of the federal government.

A Modern Gramm-Rudman should:

- Be voted on immediately at the beginning of the 112th Congress.
- Implement spending caps that reflect a percentage of GDP.
 - The percentage should decrease over time until federal outlays are 18% of GDP.
 - 18% is also the historical average of total federal revenues as a percentage of GDP
 - This approach would require Congress to focus on the actual problem of spending, as opposed to deficits, which are a symptom.
- Begin by reigning in non-defense discretionary spending to FY 2008 levels, as proposed in "A Pledge to America."
- Put all outlays (including mandatory spending) on budget.
- Trigger a sequestration period in which OMB would make across-the-board-spending cuts if Congress fails to achieve the spending caps.
- Exempt only the interest on the debt from sequestration.
 - Gramm-Rudman contained sequestration exemptions for many social welfare programs.
- Only permit the caps to be waived by a 2/3 vote in each chamber.

If the Senate is unable to pass this legislation, the House should adopt a modernized Gramm-Rudman by incorporating it into the House Rules for the 112th, much like the earmark ban.